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FIRST SESSION—TWENTY-NINTH PARLIAMENT

1973

THE SENATE OF CANADA

PROCEEDINGS
OF THE
STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable ALLISTER GROSART, *Deputy Chairman*

Issue No. 1

TUESDAY, FEBRUARY 6, 1973

Complete Proceedings on the Supplementary Estimates (A)
laid before Parliament for the fiscal year ending
March 31, 1973

REPORT OF THE COMMITTEE
and
APPENDIX "A"

(Witnesses:—See Minutes of Proceedings)

25734—1

STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman;*

The Honourable A. Grosart, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.
Carter, C. W.
Choquette, Lionel
Côté, Jean-Pierre
Croll, David A.
Desruisseaux, P.
Everett, Douglas D.
*Flynn, Jacques
(*Ex officio*)
Giguère, Louis de G.
Grosart, Allister
Laird, Keith
Langlois, L.
Manning, Ernest C.
*Martin, Paul (*Ex officio*)
Nichol, John
Paterson, N. M.
Phillips, O. H.
Prowse, J. Harper
Rattenbury, N.
Rowe, F. W.
Sparrow, Herbert O.
Welch, Frank C.

(Quorum 5)

**Ex officio Member*

Order of Reference

Extract from the Minutes of Proceedings of the Senate of Thursday, January 25, 1973.

"With leave of the Senate,

The Honourable Senator Molgat moved, seconded by the Honourable Senator Smith:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (A) laid before Parliament for the fiscal year ending the 31st March, 1973, tabled in the Senate on Tuesday, 9th January, 1973.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier
Clerk of the Senate

Minutes of Proceedings

Tuesday, February 6, 1973.
(1)

Pursuant to adjournment and notice the Standing Committee on National Finance met this day at 10.00 a.m. to consider the Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31, 1973.

Present: The Honourable Senators Grosart (Deputy Chairman), Carter, Flynn, Giguère, Laird, Langlois, Phillips, Prowse and Rowe. (9)

Present but not of the Committee: The Honourable Senators Argue, Hays, Gélinas and Molgat. (4)

The Honourable Senator Carter moved that unless and until otherwise ordered by the Committee, 800 copies in English and 300 copies in French of its day-to-day proceedings be printed.

WITNESSES:

From the Treasury Board:

The Honourable C. M. Drury, President;

Mr. A. Kroeger, Deputy Secretary; and

Mr. B. A. MacDonald, Assistant Deputy Secretary, (Program Branch).

The Treasury Board undertook to furnish answers to several questions on the Supplementary Estimates (A), 1973, at the earliest possible time.

It was *agreed* to print as Appendix "A" to the Report the explanation of certain one-dollar items contained in the said Supplementary Estimates.

On motion of the Honourable Senator Phillips, it was *agreed* that the drafting of the Report be left in the hands of the Deputy Chairman and the Honourable Senator Molgat and presented to the Senate at the earliest opportunity.

At 1.00 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Gérard Lemire,
Clerk of the Committee.

Report of the Committee

Wednesday, 7th February, 1973.

The Standing Senate Committee on National Finance to which was referred the Supplementary Estimates (A) for the fiscal year ending the 31st March, 1973, has in obedience to the order of reference of January 25, 1973, examined the said Supplementary Estimates (A) and reports as follows:

Witnesses heard by the Committee were Hon. C. M. Drury, President of the Treasury Board; Mr. A. Kroeger, Deputy Secretary, Program Branch, Treasury Board; and Mr. B. A. Bruce MacDonald, Assistant Secretary, Program Branch, Treasury Board.

The Supplementary Estimates total $1,290,790,402 of which $817,000,000 are non-budgetary items, that is to say loans, investments or advances. Previous Main Estimates are increased from $16,539,080,169 to a total of $17,829,870,571 for the current fiscal year.

The Minister informed the Committee that 90% of Supplementary Estimates (A) are items "having to do with the relief of unemployment or the creation of jobs" as follows:

Winter Capital Projects Fund, $350 million

Advances to the Unemployment Insurance Commission, $454 million

Local Initiatives and Training on the Job, $304 million

Federal Labour Intensive Projects, $60 million

Payments to establish the Metropolitan Growth Investment Limited for the Halifax-Dartmouth area, $10 million.

Payments to farmers include crop losses ($12.6 million), subsidization of livestock feed movement ($4 million), payments to the Wheat Board to purchase covered grain hopper cars ($40 million) and payments to farmers for losses caused by waterfowl ($1 million).

Other items include costs of the New Horizons Program for senior citizens ($6.2 million), higher pensions and allowances to veterans ($18 million), assistance to Asian Uganda immigrants ($4 million) and Non-Medical Use of Drugs program ($2.8 million).

The remaining 2% of the total includes public works, a loan to increase flow of tonnage on the MacKenzie River, grants for Prince Edward Island Centennial projects and compensation to Atlantic fishermen for the closing of commercial salmon fisheries.

Four vote items are for $1 each. This is a vote category discussed in previous Committee Reports and for which a description and explanation is now regularly provided by the Treasury Board to the Committee. This is appended hereto.

Almost half of the total in these estimates ($590,509,000) relates to three Governor-General's Special Warrants obtained by Order in Council during the period of dissolution of Parliament—on October 5th, November 16th and December 14th. The Committee was informed by the Minister that these complied with the requirements of Section 23 of the Financial Administration Act in that they covered "payments urgently required for the public good when Parliament is not in session and there is no other appropriation pursuant to which the payment may be made". The two largest items in these Warrants were $132,084,000 for the Local Incentives Program (LIP) and $454,000,000 in Vote L30a of the Department of Manpower and Immigration. The latter is shown as "advances . . . to be applied by the Unemployment Insurance Commission towards the payments of benefits and costs of administration under that Act, such advances to be repaid in such manner and on such terms and conditions as the Minister of Finance may prescribe".

Replying to questions from Committee members, the Minister explained that the first U.I.C. warrant (October 5th, $234 million) became necessary when it appeared that the statutory limit of permissible government advances to the Commission ($800 million) would be exceeded by the end of October, in which case there would have been no authority to pay unemployment benefits as required by the Unemployment Insurance Act. "The Unemployment Insurance Commission would have ceased issuing payments if there had been no warrant."

A similar situation arose when it appeared that benefit payments under the October warrant would again leave the Commission without funds on or about January 3rd, the day before the Opening of Parliament. A second warrant ($220 million) was therefore obtained on December 14th and its funds are expected to be exhausted by February 7th.

The financial position of the Unemployment Insurance Account for the calendar year ending December 31st, 1972 is as follows:

Benefit payments $1,879 million; administrative costs $120 million: totalling $1,999 million.

Income from employer and employee premiums $715 million; due from government (statutory) $890 million: totalling $1,605 million.

Accounting deficit, therefore, $394 . . . less opening balance (January 1st, 1972) $236=Deficit of $158 million.

The Commission's financial problems appear to be caused by (a) under-estimation of the increases that took place in benefit payments during the year (b) the $800 million statutory ceiling on government advances against the accrued liability of $890 (c) the fact that Parliament was not in session from September to early January.

Treasury Board Contingency Fund

Payments from the Treasury Board Contingency Fund exhausted the Fund's resources during the period covered by Supplementary (A). When Supply is granted by Parliament it will be reimbursed by approximately $40 million from appropriations in Supplementary Estimates (A). In the meantime, no Contingency Funds are available if an emergency should arise. The Estimates provide for a further appropriation to the Contingency Fund of $60 million for a program whereby temporary employees will be hired directly by federal government departments as part of the overall employment program for the current winter.

Winter Capital Projects Fund

This is a new program of federal government assistance to the provinces, provincial agencies and municipalities to create employment through construction of capital development projects. Vote L12a of the Department of Finance authorizes loan commitments by the federal governments of $350 million over the four and a half years from December 1972 to June 1975. Amounts will be allocated to provinces on the basis of population and levels and seasonality of unemployment. The Committee notes that this proposes the introduction of a major item of legislation by vote in an Appropriation Act. Not only are very large amounts involved but the vote item authorizes commitments extending over several years into the future. Granting the exceptional circumstances and the requirements of long range planning, the Committee feels that an Appropriation Act should not be used for this purpose.

Respectfully submitted

ALLISTER GROSART
Deputy Chairman.

APPENDIX "A"

EXPLANATION OF ONE DOLLAR ITEMS SUPPLEMENTARY ESTIMATES (A), 1972-73

SUMMARY

The one dollar items included in these Estimates have been grouped in the attached according to purpose.

A One dollar items authorizing transfers from one vote to another within a Ministry for the purpose of re-allocating funds (1 item—this item also appears in Section C).

B One dollar items which require listing in the Estimates in order to secure approval of a grant (1 item).

C One dollar items which are legislative in nature (3 items including Secretary of State—National Museums of Canada Vote 90a which also appears in Section A).

Estimates Division,
February, 1973

SECTION A

ONE DOLLAR ITEMS AUTHORIZING TRANSFERS FROM ONE VOTE TO ANOTHER WITHIN A MINISTRY FOR THE PURPOSE OF RE-ALLOCATING FUNDS (1 ITEM—this item also appears in Section C).

SECRETARY OF STATE—National Museums of Canada

Vote 90a (also listed in Section C)—Amount of transfer to this vote $2,899,999

Purpose—To provide funds for certain projects under the Museums Policy. This Policy was originally budgetted for within the Canada Council. The responsibility for these projects has since been reassigned thus a transfer of funds is required.

Source of Funds—Vote 45 ($2,899,999)—Canada Council.

SECTION B

ONE DOLLAR ITEMS WHICH REQUIRE LISTING IN THE ESTIMATES IN ORDER TO SECURE APPROVAL OF A GRANT (1 ITEM).

JUSTICE

Vote 1a—To authorize a grant of $10,000

Explanation—The grant to the Canadian Association of Provincial Court Judges will be used to assist in defraying the operating expenses of the Association.

Source of Funds—Vote 5—Funds originally provided for operating expenditures will be used to pay this grant.

SECTION C

ONE DOLLAR ITEMS WHICH ARE LEGISLATIVE IN NATURE (3 ITEMS including Secretary of State—National Museums of Canada Vote 90a which also appears in Section A).

FINANCE

Vote 13a—To authorize an extension to the period of time for election of pensionable service under the Members of Parliament Retiring Allowances Act.

Explanation—This authorization is required to extend the period of time under which an election can be made under the Members of Parliament Retiring Allowances Act for pensionable service for those persons who failed to do so previously due to erroneous advice being given or for the review of previous elections for pensionable service to ensure the full period of entitlement has been given.

SECRETARY OF STATE—National Museums of Canada

Vote 90a—(also listed in Section A)—To authorize an increase of $1,000,000 in the statutory limit of the purchase account of the National Museums.

Explanation—The increase to $3,100,000 in the amount of the purchase account is required for the establishment of the Emergency Purchase Fund which was approved as part of the new ministerial policy on Museums.

URBAN AFFAIRS—Central Mortgage and Housing Corporation

Vote 10a—To authorize an extension in the vote wording so as to permit the Corporation to be reimbursed for expenditures incurred during the period January 1, 1973 to March 31, 1973 on housing research and community planning.

Explanation—The present vote wording restricts reimbursements to the calendar year 1972, a change is therefore required in the vote wording to permit reimbursements to March 31, 1973. The amount of reimbursements to be claimed would remain within the funds already voted.

The Housing Research and Community Planning Activity includes the Winter Warmth Program which provides assistance to Metis and non-status Indians. This Program, which peaks during the winter months, provides financial assistance whereby improvements can be made to their housing conditions. This extension is required to enable the Corporation to disburse funds already committed.

The Standing Senate Committee on National Finance

Evidence

Ottawa, Tuesday, February 6, 1973

The Standing Senate Committee on National Finance, to which was referred the Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31, 1973, met this day at 10 a.m.

Senator Allister Grosart (*Deputy Chairman*) in the Chair.

The Deputy Chairman: Honourable senators, as you are aware, the supplementary estimates (A) for the fiscal year 1972-73, ending March 31, 1973, were referred to this committee by the Senate on January 25. Our function here is to review and examine the supplementary estimates and to report to the Senate, under the resolution of the Senate which requires that this committee examine the estimates before the Senate will deal with them in an appropriation bill.

We have with us this morning the distinguished President of the Treasury Board, the Honourable C. M. Drury; Mr. A. Kroger, Deputy Secretary, Program Branch, Treasury Board; and Mr. B. A. MacDonald, Assistant Secretary, Program Branch, Treasury Board.

Mr. Drury has a very important engagement this morning which he was good enough to leave so as to be a witness here so that we might understand these supplementary estimates this morning. He would very much like to get away in an hour, to go back to another very important meeting.

I say that in case there are any questions which honourable senators think should be directed to the minister rather than to the officials. If so, perhaps you will make an effort to get them in as early as possible in our proceedings. If any senator wishes to put questions to the minister on an item which would normally be dealt with later in the agenda, if you will call it to my attention I will suggest that we move on to it.

Senator Phillips: Mr. Chairman, I anticipate the questions will take longer than an hour. Would there be someone to replace Mr. Drury on matters of policy? I realize the public servants are more qualified to give an explanation, but when I come to ask a question on a matter of policy I do not expect them to answer. Will we have anyone after Mr. Drury leaves, or will we be left floundering around in the dark?

The Deputy Chairman: I do not think we will be left floundering around in the dark. I suggest that we leave that matter until we come to it. Let us see how far we progress and then, if necessary, if it is the will of the committee and if it is impossible for Mr. Drury or someone else to be here, we can take some other steps to satisfy any wish of the commitee. I suggest we leave that matter until we come to it.

Mr. Drury, is it your intention to make an opening statement?

The Honourable C. M. Drury, President of the Treasury Board: Mr. Chairman, if it would be helpful, I have a relatively short opening statement which gives a bird's eye view of the supplementary estimates. It will probably take about four minutes, and if that would help the committee, I will read it.

The supplementary estimates which you have before you amount to about $1,290 million. They are made up almost entirely of items having to do with the relief of unemployment and the creation of jobs. About $1,180 million, or more than 90 per cent, are for these purposes: Winter Capital Projects Fund, $350 million; advances to the Unemployment Insurance Commission, $454 million; Local Initiative and Training on the Job, $304 million; Federal Labour Intensive Projects, $60 million; and payments to establish the Metropolitain Area Growth Investment Limited for the Halifax-Dartmouth area, a crown corporation for the purpose of promoting economic growth in that area, $10 million. Those add up to a total of $1,178 million.

Another substantial portion of these estimate concerns measures to assist farmers: payments to farmers who have suffered crop losses due to adverse weather conditions, $12.6 million; additional subsidization of the movement of livestock feed from the West, $4 million; payments to the Canadian Wheat Board for the purchase of covered grain-hopper cars to facilitate the movement of Canadian grain exports, $40 million; and payments to protect farmers from losses due to water fowl, $1 million.

There are as well the costs incurred or to be incurred in the New Horizons program for retired people, $6.2 million; in paying higher pensions and allowances to veterans after cost-of-living adjustments, $18 million; assistance to Asian immigrants expelled from Uganda, $4 million; and expansion of operations under the Non-Medical Use of Drugs Program, $2.8 million.

The items to which I have referred specifically account for 98 per cent of the total. The remaining 2 per cent covers such matters as additional capital and operating costs of public works; a loan to the Northern Transportation Company Limited to buy equipment for use in increasing the flow of freight tonnage on the Mackenzie River; grants for Prince Edward Island centennial proj-

ects and to the National Theatre School; and expenditures to compensate fishermen for the closing of the Atlantic Salmon Fisheries.

I should make two further points. First, the $60 million shown under Treasury Board for the contingencies vote is the amount approved for new employment by the government itself as part of the direct employment program for the winter. Departmental votes may be supplemented from this contingencies vote to replace the funds used in payment of salaries, wages and other costs connected with the labour intensive projects that departments are undertaking in order to create jobs.

My second point refers to what are called special warrants. The Financial Administration Act provides that when Parliament is not in session and there is an urgent payment which no authorized appropriation can cover, the funds may be appropriated under a special warrant issued by the Governor General on the advice of Council. As is customary, the funds so appropriated are included in these first supplementary estimates presented to the new Parliament.

The votes, including amounts already appropriated under special warrants, are individually cross-referenced in the estimates booklet to a summary table at the end of the booklet. Honourable members will note that the only large items included were for the Unemployment Insurance Commission and the job-creating programs for Manpower and Immigration.

The government was faced with the very practical question of how much it should seek to secure through these warrants. A study of recent years' experience has shown a lapse of about three weeks to a month between the time the first supplementary estimates have been tabled and supply has been voted. Taking this as a guide, the government asked for appropriations under special warrants to cover expenditures in the programs concerned until about February 8.

Now, Mr. Chairman, if there are any questions I would be glad to answer them to the best of my knowledge.

The Deputy Chairman: Honourable senators, in view of the fact that the minister may have to leave early, I am going to ask if you would like to take up first any particular one of the 16 departments covered by these estimates.

Senator Flynn: Do you mean it is all included in the departments?

The Deputy Chairman: Yes, the estimates, as usual, are by departments; the votes are by departments. I thought that if there was one particular department which members of the committee felt they might like to discuss with the minister, the members might so suggest. If not, we will just carry on in the usual way.

Senator Phillips: Mr. Chairman, there is one item which I am sure Mr. Drury has encountered before, and that is the use of the Governor General's warrants. On what dates were those issued?

Hon. Mr. Drury: I have not the precise dates here, but I will get them.

The Deputy Chairman: Senator Phillips, I take it that you are referring to the warrants under the estimates of Manpower and Immigration, because there are appropriations under warrants in a number of departments.

Senator Phillips: Yes, you are quite correct. Excuse me.

Senator Prowse: Can you give us a page reference?

The Deputy Chairman: We are going to deal now with the estimates of the Department of Manpower and Immigration where will be found certain items covered by warrants.

Hon. Mr. Drury: Mr. Chairman, if reference is made to page 58, in the small book, that might be helpful.

The Deputy Chairman: In the supplementary estimates (A) book at page 58 there is a summary of all the items of the appropriations by Governor General's warrants. There are 12 items covering five departments.

Hon. Mr. Drury: With respect to the dates of issue, there were three warrants actually issued: the first was on October 5, the second on November 16, and the third on December 14.

Senator Flynn: As far as the unemployment insurance is concerned, three were only two warrants.

Senator Phillips: Yes, only two.

Hon. Mr. Drury: That is quite correct. If you look at pages 58 and 59 you will see that the first warrant, on October 5, was for $234 million covering only the needs of the Unemployment Insurance Commission.

Senator Phillips: That would be to what date?

Senator Flynn: To October 5.

Senator Phillips: But that carries through to a certain date, as I understand it.

Hon. Mr. Drury: That was planned to carry the Unemployment Insurance Commission through to December 31, 1972.

Senator Phillips: And the second one?

Hon. Mr. Drury: The second one, which was issued in relation to the Unemployment Insurance Commission in the amount of $220 million on December 14, was designed to carry the Commission through from January 1 to February 8. We have since been advised that these funds will be exhausted on February 7.

Senator Phillips: I understand, Mr. Minister, that the Governor General's warrant issued on October 5 actually carried beyond December 1. Am I correct in that? On what date did it actually expire?

Hon. Mr. Drury: In fact, it turned out that there were sufficient funds to carry through to January 3.

Senator Phillips: January 3?

Hon. Mr. Drury: Yes—1973.

Senator Prowse: You got two days, in other words.

Hon. Mr. Drury: If you count New Year's Day as a holiday, there were two extra working days.

Senator Phillips: So it did not transgress January 4.

Hon. Mr. Drury: The funds were inadequate to carry through January 4.

Senator Phillips: Would you mind taking a minute or two, sir, to explain to the committee the procedure followed in obtaining a Governor General's warrant?

Hon. Mr. Drury: The minister responsible for a particular program or in respect of the operation of which he is responsible during a period when Parliament is not in session, finding he needs money, makes an estimate or has an estimate made of the amount of money he needs to carry him through the period from the exhaustion of the appropriation under which he has been operating until Parliament can be expected to reassemble and vote further money. He certifies that the money is urgently required in the public good. Treasury Board is then required to determine that there is no other appropriation available from which these needs could be met and the public good served, and on certification there is no other appropriation available the Governor in Council authorizes Treasury Board to authorize the minister to draw on the Consolidated Revenue Fund for that amount of money.

Senator Phillips: As I understand it, the Unemployment Insurance Commission is authorized to draw from the Consolidated Revenue Fund up to $800 million. Does this mean that on October 5 you had exceeded that figure?

Hon. Mr. Drury: No, Mr. Chairman, it had not been exceeded on October 5. In fact, the moneys which the Unemployment Insurance Commission were authorized to draw down from the Minister of Finance as repayable advances to a limit of $800 million, were not exhausted and, in fact, lasted until October 31.

Senator Phillips: That is rather a familiar date in the history of 1972, sir. Was there any announcement made or was there any publicity of any kind given to this warrant? In other words, when was it published in the Canada *Gazette*? Was it published before October 31?

Hon. Mr. Drury: I am not sure of the exact date of publication. The law requires that it be published within thirty days. and I am advised that this was done. It is further required that the warrants be tabled in the house within fifteen days of the resumption of a session, and this was also done.

Senator Phillips: I am thinking of Mr. Mackasey's rather widely quoted statement that this was " a drop in the bucket." Probably I am misinterpreting the function of Treasury Board, but I am inclined to look upon you as being the guardians or the watchdogs of government expenditure. Did it not cause you some concern on October 5 when you asked for a Governor General's warrant in the amount of $234 million?

Hon. Mr. Drury: Most certainly.

Senator Phillips: And what action did Treasury Board take at that time?

Hon. Mr. Drury: Well, the action normally taken during this process is to verify, to the extent possible, the calculations of the Unemployment Insurance Commission to ensure that there is in fact a demonstrable need for these funds, that the authorization for advances by the Minister of Finance could not meet this need, that in fact there is no other appropriation which could be drawn upon for this purpose; and having satisfied ourselves on those points to the best of our capacity, then to issue the warrant.

Senator Phillips: If you will pardon me for getting in a political jibe at this point, you found it to be more than a drop in the bucket? Then your next warrant was to carry you from December 14 to January 1?

Hon. Mr. Drury: No, sir, for the period from January 1 to February 8.

Senator Phillips: But you asked for this on December 14?

Hon. Mr. Drury: That is right.

Senator Phillips: And when would that be gazetted?

Hon. Mr. Drury: That would be subject to the same delays as the previous warrant, that is within thirty days of the issue.

Senator Phillips: That brings us into the middle of the Christmas holidays. Was it gazetted at that time?

Hon. Mr. Drury: It was gazetted before the new year.

Senator Prowse: What would have happened if the warrant had not been issued?

Hon. Mr. Drury: There would have been no authority to pay the unemployment benefits, and the Unemployment Insurance Commission would have ceased issuing payments, if there had been no warrants, about October 31, just as now if there is no supply granted in the next few days it will cease to issue cheques on February 8 this year.

Senator Prowse: You cannot pay it unless there is money appropriated?

Hon. Mr. Drury: We cannot pay it unless it is authorized.

Senator Flynn: Referring to this sum of $454 million represented by two warrants, do I understand that this amount would have been exhausted by February 8?

Hon. Mr. Drury: That is correct.

Senator Flynn: Where is there any appropriation in the supplementary estimates for the period after February 8?

Hon. Mr. Drury: This, Mr. Chairman, is being dealt with in a separate bill currently under discussion in the house.

Senator Flynn: That is the bill to remove the ceiling?

Hon. Mr. Drury: The bill to remove the ceiling. The normal way in which the commission is financed is that it has the right to demand of the Minister of Finance the amounts of money required to finance its operations on a day-to-day basis, and the Minister of Finance is authorized to advance that money from the Consolidated Revenue Fund. Being an advance it is accountable and repayable. This then puts the commission in funds during the course of a year. During this same year, while the money is going out from the Consolidated Revenue Fund of the Minister of Finance, the Department of National Revenue is collecting the contributions of employers and employees so that there is an income, and as the Department of National Revenue gets it, it goes into the Consolidated Revenue Fund. After the end of the year a computation is made of the total amount of contributions from employers and employees, while the advances from the Consolidated Revenue Fund are totalled by the Minister of Finance, and then the difference is made up by a budgetary appropriation passed through the estimates.

Senator Flynn: So if we were not to pass this supplementary estimate or appropriation, that would not solve the problem of the Unemployment Insurance Fund. By that I mean that if we were to pass this only next week, it would not make any difference since the money has been made available to the fund through warrants. What is important for the Unemployment Insurance Fund is to pass this bill removing the ceiling. In other words, this does not give a cent more to the fund.

Hon. Mr. Drury: That is quite correct. This supply bill is not the key to the unemployment insurance problem. However, it has to be passed to enable a number of other employment-creating programs to function. So, as you say, this is not the key to the unemployment insurance problem.

Senator Flynn: I want to stick to this point for a minute; I know about the other problem. I wanted to make it clear that by this appropriation we are not solving the problem of the Unemployment Insurance Fund.

Hon. Mr. Drury: That is correct, Mr. Chairman.

Senator Phillips: Mr. Chairman, on a point of order, or perhaps more correctly, on a point of procedure, I have spent a good deal of time on the estimates and I would like to follow a certain line of questioning. I noticed in the other place that each member was delegated so many minutes and then it went on to someone else. May I suggest, with all due respect, Mr. Chairman, that we attempt to follow a procedure of this nature, because it is difficult to proceed with your questioning if someone from behind you begins to speak. Then your whole train of questioning is lost. Could we make some arrangement to that effect?

The Deputy Chairman: I appreciate your problem, Senator Phillips. It has not been the custom in our committees to follow that procedure. My personal view is that if it was our practice we might proceed, generally speaking, in a more orderly fashion than we do sometimes. However, it has not been our practice. I take it that if honourable senators wish to ask supplementaries, they will catch my eye, and then it is up to me to decide. On the other hand, in this particular case I recognize the Leader of the Opposition.

Senator Phillips: It was not the Leader of the Opposition who broke into my line of questioning. I wish to point that out.

The Deputy Chairman: It was a supplementary. However, perhaps you would carry on, Senator Phillips.

Senator Rowe: Mr. Chairman, could we have Senator Phillips' point clarified? Is he suggesting that each senator be allocated a specific amount of time, let us say five or ten minutes?

Senator Phillips: Yes, and then he yields to someone else; and if he wishes to return to that line of questioning, he may.

Senator Laird: Mr. Chairman, let us quit this discussion when there is pressure on the minister. Let us settle this matter at some other meeting.

Senator Prowse: That is right.

The Deputy Chairman: Carry on, Senator Phillips. Is it the wish of the committee that I use my best judgment as we go along?

Senator Carter: Mr. Chairman, the minister wants to get away in about an hour, so if Senator Phillips has something he wants clarified I think we should give him an opportunity while the minister is present.

Senator Argue: Will you be done in an hour, Senator Phillips?

Senator Phillips: No, actally it will take about three hours; but I will try to be done in an hour.

Mr. Minister, I am rather intrigued by the fact that you can tell me now that on February 7 the funds of the Unemployment Insurance Commission will be completely exhausted, yet in reading the committee minutes of the other place I got the distinct impression that it was almost impossible for the authorities of the Unemployment Insurance Commission to state when their funds would be exhausted. They explained the delays in bringing all the facts together and that, in fact, they had gone beyond the January 3 deadline which you gave us. I am quite prepared to accept your word, but my question is: What accounting do you receive from them and when do you know that this fund will be exhausted?

Hon. Mr. Drury: Mr. Chairman, the Unemployment Insurance Commission is an independent body which does its own estimating, has its own administration, and does its own accounting. In the ordinary course of events, the check on the accounting is performed in the form of an audit which is the responsibility of the Auditor General. In this case, because of the involvement of the

Governor General's warrants there was a much closer look into the forecasting, the estimating of the Unemployment Insurance Commission than perhaps had been the case previously. I think that because a lot more people checked the forecasting in this period of time, these results have come about partly as a consequence of more effort going into this particular phase of matters than had been the case in the past, and partly because the rate of payout appears to have stabilized in a way that was not the phenomenon earlier in the year. The rate of payment of benefits over the past couple of months has shown quite an unusual and remarkable stability. The fact that, having estimated their requirements up to February 8, it now appears that they will run out of funds on February 7, is perhaps as much a combination of fortuitous circumstances as it is that we have discovered some new truth or a new system.

Senator Phillips: You have stated that there is a certain amount of stability. In find this to be contradictory, in that you ran out earlier than you had anticipated, and now you say there is a levelling off and you are going to run out on February 7. In find a certain amount of contradiction in that point. However, I will not belabour it. I can do that when we are dealing with the appropriation bill itself.

Hon. Mr. Drury: The stabilization I am referring to is in the rate of outgoing benefits. This is a phenomenon of the past couple of months, the period with which we are now concerned.

Senator Phillips: Something has occurred during the last couple of months which seems to have been a phenomenon anyway. I am concerned with the extensive use of the Governor General's warrants while Parliament is in session. I will begin my remarks by referring back to 1958. I do not know whether Senator Benidickson is here, but I can recall when Parliament returned in 1958 we had a similar situation where the Governor General's warrants had been moved for the month of April and up to a certain date in May. This was necessary because no estimates had been presented for the fiscal year 1958. I would like to make this point clear, that Parliament had passed all the estimates presented by the government prior to the dissolution of Parliament. There was great concern then among the members of the opposition, and Senator Benidickson, then the financial critic of the opposion, did rather an eloquent job of presenting the argument that the house should be able to examine Governor General's warrants within a very short time. The Throne Speech debate at that time was limited to one or two days. Was any consideration given to that, in order that Parliament could consider the use of Governor General's warrants for these funds while Parliament is sitting?

Hon. Mr. Drury: As I indicated in my statement, Mr. Chairman, obviously if Parliament is summoned to reconvene on January 4 to seek warrants covering the period to that date, it means that on the fourth Parliament not only has to reassemble, but to vote supply in all stages in one day. It seems to be rather presumptuous of the government to assume that that is the way Parliament should behave. As I indicated, we considered the average period that it has taken Parliament to consider and grant supply on supplementary estimates over the past few years. Given the desirability of committee hearings, the procedures in the house, committee hearings in the Senate and the Senate proceedings that appeared to be about 30 days. To have sought warrants covering a period less than 30 days would have been, in a sense, to put a gun to Parliament's head and tell it to pass supply hastily, without perhaps proper consideration. Consequently, this system of interim financing was sought in a way which will allow Parliament a reasonable period to consider all the problems and to grant supply.

The Deputy Chairman: Senator Phillips, I wonder if you would mind me commenting that we have gone 40 minutes now and I see other senators obviously anxious to ask questions. Could I ask you to ask one more, and then we will return to you later?

Senator Phillips: Yes, I was about to say I have one more, after which I will be willing to yield, provided I am permitted to return.

Mr. Chairman, I am disturbed by the fact that while Parliament is sitting we are spending over $50 million a week in unemployment insurance benefits issued under Governor General's warrants. Assuming that the Unemployment Insurance Commission works the average 40-hour week, we are spending more than $1 million per hour on Governor General's warrants, without any authority whatsoever from Parliament. In my opinion, this is an extraordinary situation, and I can quote no greater authority than the Auditor General, who in his remarks stated that in his experience he had never seen this happen while Parliament was in session. Can either, Mr. Minister, or one of your officials, cite a previous example of this occurring?

Hon. Mr. Drury: I think, Mr. Chairman, in every other case when Governor General's warrants have been sought —I have not done any research on this—just given the nature of the procedure and the system, I am quite sure that in the case that you quoted in 1958 expenditures were continuing to be made under those warrants at the time Parliament reassembled. Otherwise, any continuing program will come to a stop the day Parliament reassembles and it will not be able to start again until Parliament has acted in relation to it.

The Deputy Chairman: I wonder if I could intervene here in relation to this question? It seems that some of the difficulties that have arisen in this connection, both in 1958 and 1972, may have been caused by some out-of-date, antiquated wording in the Financial Administration Act. Sections 20 and 23 appear to refer to circumstances that might have arisen years ago, but are not adequate to handle situations arising today. Has any consideration been given to amending the Financial Administration Act in this respect?

Hon. Mr. Drury: We have considered it, Mr. Chairman. In my opinion there is no question about it, that some of the wording in the Financial Administration Act does

relate to a time when the scale of government operations was very much smaller indeed, and the pace at which Parliament operated was not quite as forced as is now the case. Perhaps these words do convey a mistaken impression, but they still have a legal meaning, I am told by the lawyers, which is quite satisfactory for the current circumstance. The difficulty is rather one of appearances than legality. Senator Phillips says that there is no authority for these payments to be made, but there is in contemplation under section 23 of the Financial Administration Act just this particular circumstance, and there is parliamentary authorization to make these payments through the mechanism of Governor General's warrants. This is a standing parliamentary authorization for it to be done.

Senator Phillips: Over $800 million?

Hon. Mr. Drury: For payments in excess of $800 million, that is correct. The limit on advances made by the Minister of Finance under the terms of the Unemployment Insurance Act is $800 million. This, however, is not a prohibition which would inhibit Parliament or its delegated agency furnishing moneys to the Unemployment Insurance Commission under some other heading. This particular technique, advances by the Minister of Finance to be repaid on terms and conditions set out by him, is limited to $800 million.

Senator Phillips: I agreed to yield, Mr. Chairman, but I will say that I look forward with great interest to the report of the Auditor General on the legality of the procedure.

The Deputy Chairman: Senator Argue?

Senator Argue: My question relates to explanation of another point in the estimates.

The Deputy Chairman: We are now dealing with vote L30a, Manpower and Immigration, which appears at page 28 of the supplementaries.

Senator Flynn: I have one question related to this item, if no one else wishes to ask a question.

Senator Prowse: I have a question, but I will yield to Senator Flynn.

Senator Rowe: I have one question on this particular matter.

The Deputy Chairman: I am suggesting that we stay with vote L30a, and then go on to any other votes. May I take Senator Flynn now?

Senator Flynn: My question follows on the one I asked before. If Parliament had not been dissolved at the time the fund needed refunding, do you not think you would have proceeded by amending the act rather than by appropriation in supplementary estimates?

Hon. Mr. Drury: That is a fairly safe assumption. As soon as Parliament re-assembled, we proceeded to amend the act rather than proceed with further financing by appropriation.

Senator Flynn: The legality of proceeding by legislation rather than by Governor General's warrants is quite clear.

Hon. Mr. Drury: The desirability of proceeding by amending legislation is quite clear, when circumstances are such as to allow or permit the amending of legislation. It is somewhat difficult to do when Parliament is not in session.

Senators Hays: I preface my question with an example. I know of a man, a truck driver, who earns approximately $7,000 a year, or $600 a month. He told me that his unemployment insurance payments amounted to $390 a month. He is working in the field of agriculture. Agriculture wages today are around $300 a month. The man in question would like to work, but he has to compete with unemployment insurance payments. There are two things that set the standard wage today: one is welfare; and the other is unemployment insurance. The man will have to be paid in the neighbourhood of $250 a month to have his services utilized.

The man is not allowed to moonlight as a farmer or any other employee might be. I am wondering if the government is giving any consideration to this problem. Agricultural labour has dried up because of the two programs. In most places people are unable to compete with unemployment insurance or with provincial welfare programs. Has any consideration been given to resolving this problem? I do not know how to resolve it, but it is a serious problem facing agricultural workers. Agricultural workers do seasonal work. At other times they work on construction jobs or other heavy labour jobs. Immediately they are needed, they go back to work in agriculture. Many of them would like to work and will do so for approximately $100 more than they receive from unemployment insurance. I would like to know whether any consideration is being given by the government to this dilemma in which the agriculture worker finds himself.

Hon. Mr. Drury: I think it is well known that there is now under consideration an amendment to the Unemployment Insurance Act to try to avoid what Senator Hays has referred to as this competition. A man who is capable of working, and for whom an appropriate job is available, will not be eligible for unemployment insurance. The administrative problem lies in determining the suitability of alternative jobs for a particular individual and in making a ruling on whether he can claim unemployment insurance while a particular job is open and available to him. The problem will be tackled in the proposed amendment to the Unemployment Insurance Act, in a second bill which will come before Parliament later in the session.

Senator Rowe: Mr. Chairman, am I correct in drawing an inference, from what Mr. Drury has said, that given a situation where there is no Parliament, where Parliament has adjourned or in this case is in dissolution, and given the social situation which obtains in respect of unemployment, there is really no alternative for the gov-

ernment—unless the government is prepared to see the whole program collapse—but to seek these warrants from the Governor General?

Hon. Mr. Drury: That is correct, Mr. Chairman. I think the government is as undesirous of making use of this special procedure, namely, the Governor General's warrants, as are members of Parliament to see it used. Unlike 1958, which was mentioned, which was an occasion when interim supply was provided through Governor General's warrants—and clearly there were a number of payments provided by those warrants which were not urgent and which did not need to be paid through that mechanism—we have tried in this case to limit financing by means of Governor General's warrants to places which are clearly, demonstrably urgent and in the public good; and, in each case, in default of seeking a warrant, the program would have come to a halt.

Senator Prowse: Mr. Chairman, if I understand it correctly, under the terms of the Unemployment Insurance Act, the Unemployment Insurance Commission was required to make certain payments to individuals who met the requirements of the act as it then stood. You were limited in the amount of money that could be advanced from the treasury to meet any deficiency between payments and the statutory limitation of $800 million. You then found yourself in this position, and were faced with the proposal that either you could break the law and disaccommodate a great many people by saying, "We cannot pay you your cheque this week," or you could proceed by a method which has been honoured by use for a long time, by Governor General's warrants, by advancing money to the fund until such time as Parliament could assemble and provide the money required. Is that a fair statement to make?

Hon. Mr. Drury: I agree wholeheartedly with that.

Senator Prowse: The money we are asked to approve here is money that has been determined, by a government group, or Treasury Board, necessary to be added to the fund in order to enable them to function until Parliament can correct the situation which exists. Is that correct?

Hon. Mr. Drury: That is correct, sir.

Senator Prowse: So we need approval for the $450 million which has been appropriated for that purpose. Is that correct?

Hon. Mr. Drury: The law requires that the issue of the warrant be approved by means of an appropriation.

Senator Prowse: And that money is spent by appropriation?

Hon. Mr. Drury: The approval of the spending is required by means of appropriation. That is not being sought here. What we are seeking here is approval of action taken, not the provision of new money. It is the approval of action taken.

Senator Flynn: Yes, approval of action already taken.

Senator Prowse: We are being asked to approve the spending of the money for the purposes that have been explained?

Hon. Mr. Drury: That is correct.

Senator Prowse: I move that the committee pass...

Senator Flynn: The point that Senator Prowse seems to miss is whether or not the situation could have been foreseen on September 1, when Parliament met. The point which Senator Prowse seems to forget is that if the payments had not been made during the political campaigns it would have been very harmful to the government.

Hon. Mr. Drury: It would have been very harmful to the unemployed too.

Senator Flynn: Yes, of course, but it would have shown that the government had not been able to foresee what was coming.

Senator Prowse: Do I understand, Mr. Chairman, that the Leader of the Opposition is suggesting that we have the election over?

Senator Flynn: I do not think you understand.

Senator Prowse: Oh, I understand.

The Deputy Chairman: Do you wish to speak on this, Senator Argue?

Senator Argue: I should like to ask a question on something else, Mr. Chairman. There is more in supplementary estimates (A) than this point.

The Deputy Chairman: I agree.

Senator Flynn: We will give Senator Argue an opportunity.

The Deputy Chairman: We are dealing with about one-third of the total appropriations dealt with in supplementary estimates (A).

Do you have a question, Senator Carter?

Senator Carter: While we are still on this item, Mr. Chairman, I should like to ask the minister whether or not he feels that the problem arises out of an inconsistency or a contradiction in the act? One part of the act requires that certain things be done without limit, and another part of the act prevents them from being done beyond a certain limit. In other words, one part of the act requires you to do a certain thing without a limit and another part of the act sets a limit on what you can do in carrying out the provisions of the act.

Senator Phillips: The limit is $800 million.

Hon. Mr. Drury: That is correct. The Unemployment Insurance Act provides the conditions under which the payment of benefits are to be made. The scales are laid down in the act. The commission is charged with payment of the benefits for all the people who qualify, but at the same time Parliament says, "Do this according to these rules and scales, but stop at $800 million." And, of course,

for the year 1972 this turned out to be incompatible. The reason for Bill C-124, which is currently before the House of Commons, is to cure this incompatibility by removing the limit.

Senator Prowse: And your estimate of the amount required will run out approximately within a day?

Hon. Mr. Drury: That is correct.

Senator Flynn: If the bill is not passed before February 8, as you say, this appropriation will not cure the situation.

Hon. Mr. Drury: That is correct, Senator Flynn. The urgency in relation to this bill relates, really, to every program except this one.

Senator Flynn: Most of the money has already been spent.

Hon. Mr. Drury: That is correct.

Senator Prowse: What happens if the bill is not passed?

Senator Flynn: This one?

Senator Prowse: Yes.

Hon. Mr. Drury: Well, the government will not be authorized to make any further payments, as is the case with the unemployment insurance fund, with respect to a number of programs that I have mentioned.

Senator Prowse: Will the government have to recover the money from those who will have already received payment?

Hon. Mr. Drury: No. The money paid under Governor General's warrants is entirely legal.

Senator Prowse: So that if we do not pass it...

The Deputy Chairman: Senator Prowse, may I ask you to please address the chair so that we can keep this hearing within the rules of procedure?

Senator Prowse: I apologize, Mr. Chairman.

The Deputy Chairman: Would you continue, Mr. Drury?

Hon. Mr. Drury: Passage of this bill can be delayed, in which case the unemployment insurance situation will not be affected at all. However, LIP, payments to farmers, the government direct employment program, and so forth, will have to come to an end or be suspended.

Senator Prowse: In other words, there are other parts of this that are more important, as far as the on-going purpose of the nation is concerned, than what we have been talking about for the last hour?

Hon. Mr. Drury: That is correct.

Senator Prowse: Mr. Chairman, please take note.

Senator Argue: Mr. Chairman, I wonder if I might ask whether the payments to the farmers have been made under this item?

Hon. Mr. Drury: Some have. However, there is not provided in the Governor General's warrant sufficient money to carry on with this program. Some farmers would have been paid out of regular appropriations, some out of the Governor General's warrants, and some will remain unpaid until this Appropriation Act is passed.

Senator Argue: On this point, Mr. Chairman, perhaps Mr. Drury could give the committee some information with respect to the following areas: the amount of money that a farmer may be eligible to receive; how many farmers are likely to be receiving it; and where, in general, is it going to be paid, and so forth—and particularly as to whether or not the farmers of the province of Alberta are participating in this.

Senator Phillips: On a point of clarification, Mr. Chairman, may I ask Senator Argue which program he is referring to? I understand there is a program for Ontario and Quebec, and also one for western Canada.

Senator Argue: I am referring to Farm Income Maintenance as set out on page 6 of supplementary estimates (A).

The Deputy Chairman: Honourable senators, without necessarily ending the discussion on the previous item, we are now moving, at the request of Senator Argue, to vote 15a on page six under the heading "Agriculture." It so happens that Agriculture is the one department where there is both a warrant and a payment out of the contingency fund involved, and perhaps the minister might relate the two as we go along—the use of the warrant and the use of the contingency fund. The minister has done this on other occasions, and I think it would be well for us to have it on our record.

Hon. Mr. Drury: Mr. Chairman, vote 15a on page 6 is a general vote entitled, "Production and Marketing Program." This provides a system of grants and contributions related, amongst other things, to Farm Income Maintenance.

During the course of last year, particularly in the provinces of Ontario and Quebec, we had a rather severe excess of moisture during the summer months, with the result that a number of farmers suffered very considerably. For this reason a program, in conjunction with the provincial governments, was devised to compensate the farmers, to some degree, for the losses suffered. Part of this program was financable out of this vote, moneys already voted by Parliament to cover this type of contingency, although on a lesser scale. That amount was inadequate and payments under these compensatory programs were required during the course of the fall when Parliament was not in session. The amount required to supplement this vote up to the period early February was sought by means of a Governor General's warrant, and for the period after that additional supplementary funds are being sought in these supplementary estimates. The areas covered are principally Ontario and Quebec.

If these supplements are provided to the total vote there will be enough remaining in the vote to finance, at least until the end of the fiscal year, the special program for

the farmers of the Peace River district in Alberta. There is no provision in here for the Alberta farmers or the British Columbia farmers in the Peace River area. This program, as you know, is being administered with the provinces, and the determination of the conversations in each case is not proceeding as rapidly perhaps as has been otherwise the case.

Senator Argue: Might I ask what is the maximum payment per farmer?

Hon. Mr. Drury: I cannot answer that out of my head. I do know that it is different in British Columbia from Alberta. I have an idea it is $400 in Alberta. Perhaps I should not even guess at this figure.

Senator Argue: Perhaps I am wrong, but my impression is that it is a $400 ceiling in every province. In other words, a farmer cannot get more than $400, but I may be mistaken. I have never seen anything higher than $400; put it that way.

Hon. Mr. Drury: I can get that information for you.

Senator Argue: My point here would be that, as Senator Hays said, in relation to unemployment insurance and the loss involved, and so on, this is not an unduly generous amount, if I am correct. However, I may not be correct.

Senator Prowse: You can rest assured you are correct somewhere from your general description.

Senator Argue: I think it is more generous than the province in the sense that the federal government was there first.

The Deputy Chairman: There was some discussion of this in the Committee on Miscellaneous Estimates, as reported in Proceedings No. 7, when the Honourable Eugene Whelan was the witness. You might obtain it from there. However, Mr. Drury says he will get that information for you.

Senator Phillips: I should like to ask a supplementary question. As I recall the figure, of the 29,000 who would receive a $400 payment, referred to by Senator Argue, 27,000 odd have already been paid. The balance are help up in proving a 60 per cent loss for the year. Am I correct in that?

Hon. Mr. Drury: I am not certain that I can confirm this figure of 60 per cent. I do know that in the event it appears the damages sustained have been less than was earlier feared. I would have to get the precise percentages from the Minister of Agriculture.

Senator Phillips: I will be brief on my second supplementary question. I understand that transportation charges on fodder and silage are not paid until the spring, when the farmer presents proving statements that he did purchase a certain amount of silage, and he gets something in the vicinity of $2 per ton transportation assistance.

Hon. Mr. Drury: There are two programs. One is direct payments to farmers on claim.

Senator Phillips: That will be the item "Grants and Contributions," which deals with transportation.

Hon. Mr. Drury: That is correct; that is this particular one. The Canadian Livestock Feed Board also runs a program of financial assistance for carriage.

Senator Phillips: I understand the farmer is not eligible to apply under this item of $1,600,000 until May of this year. Am I correct in that?

Hon. Mr. Drury: I cannot answer that definitively. This sum, however, is the amount contemplated to be required for this in the course of the current fiscal year, and if it were only required to be paid in May it would not appear today; it would be sought either in the estimates for next year or in the final supplementaries.

Senator Prowse: Is this to cover reduced freight rates?

Hon. Mr. Drury: The farm income maintenance of $1,600,000 is a direct payment to the farmer rather than a freight rate subsidy.

Senator Molgat: My question relates to the urgency of passing these estimates. A good deal of the money covered here has actually been spent already, has it not? Let us take as an example the hopper cars, $48 million. I assume the government has been proceeding to make payments on those hopper cars as they are delivered. Are we not here in a sense approving expenditures over and above what had been originally in the first estimates, part of which at least has already been spent?

Hon. Mr. Drury: This is the payment to the Wheat Board.

Senator Prowse: This is another vote we are talking about.

Hon. Mr. Drury: This is another vote, the hopper cars.

Senator Molgat: None of that money has been paid out?

Hon. Mr. Drury: None of the money has yet been paid out by the federal government. It owes it to the Wheat Board, who have been paying the money to the car manufacturers in terms of contract for delivery. This is money owing by the federal government to the Wheat Board who are currently financing it through either their own internal resources or a bank loan.

Senator Prowse: Do we pay them interest?

Hon. Mr. Drury: We do.

Senator Molgat: Then no money has been transferred on that, but on other votes money has already been spent. For example, for the movement of the Asian immigrants, presumably we have spent that money.

Hon. Mr. Drury: We have spent that money; it has virtually all been spent. There are still some small ongoing payments.

Senator Flynn: It was covered by warrant.

Hon. Mr. Drury: Not by warrant. That was covered out of the contingency vote.

Senator Molgat: The nub of my question is this. If this does not pass by Friday of this week, if it is not passed until next Wednesday, what happens? Is that a great calamity?

Hon. Mr. Drury: There are a number of different dates covered here. Unlike the Unemployment Insurance Commission, a single date covering all of them, such as February 8, 9 or 10, whatever it may be, cannot be established. There is a sum of money to be granted to the Cape Breton Development Corporation. They require this supplementary money in order to pay wages and salaries. The current resources will be exhausted some time between February 5 and 9. I do not think this means that if they do not get this money they will close down the operation. They can always go to the bank and make an appeal. So it does not represent really a calamity, of necessity.

Senator Prowse: It is a calamity if the bank makes claims on you and if you do not have the collateral, if you get into a situation like that.

Senator Flynn: It would not be the first time.

The Deputy Chairman: I wonder if I might ask Mr. Drury a general question. How much of this total of $1.2 billion has already been spent, roughly? We might start with $590 million under Governor General's warrants, which is already in hand and presumably has been spent. How much more of this has been spent, just to give us a general idea of what we are dealing with here?

Hon. Mr. Drury: The amounts of the warrants, Mr. Chairman, are $590 million.

The Deputy Chairman: Yes.

Hon. Mr. Drury: They will be essentially exhausted. Those funds will all be spent by about February 8. The balance is really for such things as the Local Initiatives Program, the direct employment program by the government, the fitness and amateur sports grants. Up to $590 million has been spent. The balance is for future expenditures, the continuation of the programs to the end of the fiscal year.

Senator Flynn: If we could have a dissolution of Parliament tonight, you probably would have less trouble, as you could get Governor General's warrants for all these items.

Senator Prowse: Don't tempt him!

Hon. Mr. Drury: There is not really any temptation, I am glad to say, Mr. Chairman. We cannot get Governor General's warrants. The law provides this quite clearly, and this kind of situation has been contemplated by people with more wisdom in earlier years. The government cannot get Governor General's warrants at any time when Parliament is in session, or within a shorter period than 15 days before Parliament is due to assemble. It must be a period no later than 15 days before the assembly of Parliament for one to seek these warrants. From then on, you have to do something else, or do without. Certainly, while Parliament is in session we have to do without. Essentially, the problem here is that if Parliament does not act on these estimates, or on the unemployment insurance bill, the government will do without, but also so will many of the unemployed, so will many people on the LIP and so will many farmers.

Senator Carter: Could we solve your problem by adjourning for a month?

Senator Flynn: While we have the minister here, Mr. Chairman, I might point out that in the case of the CNR bill we usually find that most of the money has already been spent when Parliament is called upon to approve the capital expenditures of the CNR.

Hon. Mr. Drury: On some occasions, Mr. Chairman, this is correct, and it has to be approved by Parliament after the event rather than in prospect.

Senator Phillips: What percentage of the LIP has been approved to date?

Hon. Mr. Drury: Regarding the warrants for the initial program of some $85 million authorized during the fall, all of that $85 million was approved before Christmas. There was a further supplement of $80 million and that is now in the process of being examined, analyzed and approved on a day-to-day basis. Every day there is more and more in the way of approvals. What it is, as of February 6, as a percentage of the second $80 million, I am not too sure.

Senator Phillips: Once approval is granted, Mr. Minister, do they automatically begin work?

Hon. Mr. Drury: Once approval is granted, I am not sure that they automatically begin work but they are authorized to begin work. Some projects perhaps get organized and under way more rapidly than others.

Senator Phillips: Yes, but they have authority to begin work?

Hon. Mr. Drury: That is correct.

Senator Phillips: So basically, as to the amount in this LIP, if it was delayed two or three days, these people are already under way in many of these cases?

Hon. Mr. Drury: If it is delayed, they can go on working, but there will be no authority to pay them and they will be working without being paid. What is being sought here is authority to pay these people who are currently engaged under a number of LIP programs, and if there is no parliamentary authority to pay them...

Senator Phillips: You will pardon my lack of knowledge, Mr. Minister. What method is used in paying the recipients under the LIP? Are they getting paid each week or are they paid quarterly throughout the program, or what method is used?

Hon. Mr. Drury: The funding by the government is made on a periodic basis—and the periods vary, two weeks or more—to the sponsors of the program. They are responsible for the direct payment of those who are employees, sometimes on a weekly and sometimes on a two-week basis.

Senator Phillips: When is the next payment due?

Hon. Mr. Drury: Regarding these programs, some of which tend to start early and some late, some on the date of approval and some afterwards, the payments to them are related to the date on which they start and get into operation. They vary. If one may put it this way, there is no set day or pay period.

Senator Phillips: In other words, you do not pay on the 14th and at the end of the month, or anything of that sort?

Hon. Mr. Drury: No, senator.

Senator Flynn: May I try to clarify one point? It has been mentioned by the minister that some of the money has already been spent. I am not speaking of the Governor General's warrants in this way, but of other items. There is the amount used to help the Asians; it has already been spent. What is the policy on making these payments in anticipation of the appropriation being made by Parliament eventually? The statement of the minister is that if there is a delay of a few days, are you going to stop payments. Why have you paid until Parliament met, or until Parliament was seized of the appropriation, and now you refuse to continue making these payments pending the decision of Parliament?

Hon. Mr. Drury: Mr. Chairman, we are not refusing. The reason that no payments will be made is simply lack of money. Parliament authorizes, in the ordinary course of events, annually, large sums of money for specific purposes. The amounts estimated are those planned to carry the program through to the end of the year. In recognition of the fact that during the course of the year unforeseen circumstances will arise calling for government action, Parliament has annually voted authorization to Treasury Board to make payments out of a contingency fund.

Senator Flynn: I see.

Hon. Mr. Drury: Now, one of the considerations of the Governor General's warrants is that there will be no money left in the contingency fund before we can have recourse to the Governor General's warrants.

Senator Flynn: That I can understand.

Hon. Mr. Drury: And the Asian assistance program was financible out of the contingency fund, but in respect to a payment made out of the contingency fund we come to Parliament and seek approval of that expenditure after it has been made.

Senator Laird: Mr. Chairman, if I may ask a supplementary in connection with contingency funds, are the various items earmarked or is this just a general fund?

Hon. Mr. Drury: It is a general fund, Mr. Chairman, related to unforeseen contingencies. If we could foresee them, they would not be coming out of the contingency fund.

Senator Laird: Except that you might divide it among the separate departments in some fashion.

Hon. Mr. Drury: If you were to provide on that basis a contingency fund for each department, the sum required would be very much larger than if there were a single pool for the government.

Senator Laird: That is the answer.

The Deputy Chairman: Mr. Minister, I wonder in that connection if we could have you explain the $60 million item on page 52 that is, under the estimates of the supplements of your own department.

Hon. Mr. Drury: Mr. Chairman, as I indicated in my opening statement, this is the amount of money required to finance what is known as the Direct Employment Program, whereby government departments are authorized to engage people to do supplementary work for which they have no current appropriation during the course of the winter months.

What we did was to conduct a survey of departments for proposals for this kind of employment during the winter months. We analysed the proposals and authorized the various departments to undertake this additional direct employment by the Government of Canada, with the work being distributed in accordance, generally, with the levels of unemployment across the country by province, and being the kind of work which is generally known as labour intensive—that is, you get the most employment for each dollar expended. A number of projects were put forward of the kind known as capital intensive, whereby there is relatively little use made of men or manpower and where a great deal of capital is employed. This calls for the expenditure of fairly large sums of money without any significant impact on the state of employment. So we have gone for labour intensive projects put forward by the departments—the most men employed for the lowest number of dollars—and this has been distributed across the departments in such a way that the greatest impact is in the areas of highest unemployment in Canada.

The Deputy Chairman: These would all be government jobs?

Hon. Mr. Drury: Yes.

The Deputy Chairman: Mr. Minister, is it correct, then, to say that this $60 million item is an earmarked item different from the funds that are usually appropriated for the Treasury Board contingency fund?

Hon. Mr. Drury: That is correct, Mr. Chairman. The reason it is put under the heading of contingencies is not because it is unforeseen and we do not know what it is going to be used for, but because this is a central pool of money which can be allocated at a later date.

At the time these supplementary estimates were prepared we did not have the detailed plans which would call for a whole series of departmental appropriations—almost one for every department.

The Deputy Chairman: This will be something like the pay list allotments at the time of negotiations with the Public Service, then, except that those were not specifically earmarked, were they?

Hon. Mr. Drury: Well, we did have a notional earmarking of those, and to the extent that we had some clear idea of the purpose and some clear idea of the amount, they also were not unforeseen and did not correspond. But that also was a device for not disclosing to the bargainers what amounts of money might be available for their negotiations.

The Deputy Chairman: How much money is left now in the contingency fund that is not earmarked?

Hon. Mr. Drury: I am just advised—and I think this is correct—"zero."

The Deputy Chairman: I thought so. Well, it has been stated that the contingency fund, or some funds in the Treasury Board contingency fund, would be necessary on an on-going basis over the fiscal year. Are you in a peculiar position now, if you have no funds in the contingency fund? What happens if something develops? Say, an emergency such as the Ugandan Asian situation or something of that sort?

Hon. Mr. Drury: As of today we would just have to say, "Sorry!"

The Deputy Chairman: You are broke.

Hon. Mr. Drury: Yes.

The Deputy Chairman: What will you do to replenish the fund?

Hon. Mr. Drury: I have indicated some of the appropriations in the supplementary estimates in respect of which payments have been made out of the contingency fund. When these appropriations are granted, to that extent, then, the contingency fund will be replenished.

The Deputy Chairman: For about $11 million—$9.9 million in Agriculture and $1.4 million in Secretary of State.

Hon. Mr. Drury: No, I think the replenishment would amount to something closer to $40 million.

The Deputy Chairman: Where would that come in here, Mr. Minister?—because I see only two items in the supplementary estimates, namely, Agriculture on page 6 and the Secretary of State on page 42. Are there other replenishments of the contingency fund here?

Hon. Mr. Drury: The only ones that are specific in this book, Mr. Chairman, are the ones that are grants, and those are the ones to which you made reference. However, some payments have been made. Well, if one takes the example of the Ugandan Asians, the amount provided for that program, which hitherto has been funded out of the contingency fund, will be a replenishment of the fund.

Senator Flynn: You are referring to the almost $4 million on page 28.

Senator Philips: The $4 million which is marked as contributions for recruitment and selection.

Senator Flynn: Are you saying that this is to be refunded to the contingency fund? This amount has been spent and you do not need any more for the time being for that purpose and you just return it to the contingency fund?

Hon. Mr. Drury: That is correct.

The Deputy Chairman: How is the bookkeeping done there? Is the money returned to the contingency fund from the department or from the Consolidated Revenue Fund? Is there an accounting there?

Hon. Mr. Drury: There is an accounting. The contingency fund is a parliamentary authorization for the Treasury Board to draw on the Consolidated Revenue Fund up to that amount and use it for, say, the purpose of the Ugandan Asians. When Parliament comes and authorizes a direct draw on the Consolidated Revenue Fund by way of an appropriation for this purpose, then that amount of authorization which has gone to the Ugandan Asians becomes re-established. The authority to draw becomes re-established.

The Deputy Chairman: It is just a bookkeeping entry?

Hon. Mr. Drury: That is right.

The Deputy Chairman: It has been said on several occasions that there is no such thing as an unemployment insurance fund, that it is just an account in the Consolidated Revenue Fund. It is not in itself a fund, as has been said on several occasions. What is the distinction? Perhaps I should put it this way: Is it the intention to integrate the Unemployment Insurance Commission into the department and take it out of its present rather anomalous situation?

Hon. Mr. Drury: I do not think that is the intention. At one time there was a separate fund into which payments were made, and this fund was administered by the commission. With the revision of the Unemployment Insurance Act in 1971 the separate fund administered under the responsibility of the commission was done away with, and the commission was authorized to draw on the Consolidated Revenue Fund, through the Minister of Finance, up to a limit of $800 million. The result is that now the payment out of benefits will be from the Consolidated Revenue Fund, and the contributions from employers and employees will also go into that fund rather than into a separate self-accounting fund.

The Deputy Chairman: So that the commission would draw two types of money from the Consolidated Revenue Fund, the first being the premiums from the employer-employee fund which is estimated at about $715 million, plus the advance up to $80 million.

Hon. Mr. Drury: It is only the advance they are entitled to draw and they have access to the Consolidated Revenue Fund up to a limit of $800 million. That is all they have under the present law. When the earnings, if one can put it that way, or the revenues of the commission's operations come in, they go directly to the Consolidated Revenue Fund and not to the commission.

The Deputy Chairman: And they are colected by the Department of National Revenue?

Hon. Mr. Drury: That is correct.

The Deputy Chairman: This is not the impression that I have received, and I want to be sure about this because we have been given the figure of $890 million as the direct cost of benefits to the Government for the calendar year. That figure of $890 million is the share attributable to the government, so I would like to know how it relates to the $800 million.

Hon. Mr. Drury: I have been issued a caveat by Mr. MacDonald, so perhaps I had better let him explain it.

Mr. B. A. MacDonald, Assistant Secretary, Program Branch, Treasury Board: Mr. Chairman, there is an account known as the Unemployment Insurance Account in the accounts of Canada into which all items received by the Unemployment Insurance Commission are paid. This includes the revenues turned over to it by the Department of National Revenue and the advances received by the Minister of Finance. Out of this, all payments are made, including the cost of administration. When the government later makes its contribution after the fact, the $890 million you referred to, that will also be paid into the account and could be used to reduce the amount of the advances already made.

The Deputy Chairman: Since we have to make a report here, could I ask if this arithmetic is roughly correct: In the calendar year 1972 the cost of benefits was about $1,879 million—and I am quoting figures you have already given—this was the actual outflow of money in payment of benefits. Then to that you add $120 million for administration, which brings it to $1,999 million, which is more or less the $2 billion you have referred to.

Hon. Mr. Drury: Well, when you say "you," I think in fact it was the Minister of Manpower.

The Deputy Chairman: Yes, I think it was in fact Mr. Andras who gave those figures. My understanding is that we take this figure of $1,999 million as the total cost of benefits paid out during the year, and then deduct the figure of $890 million which is the government's direct and indirect cost, which leaves us with $1,109 million. We can check these figures later. Then, if we subtract from that sum the $715 million which is the estimated income from the employer-employee fund premiums, we have an accounting deficit for the year of $394 million in the account. The opening balance was $236 million, so that this leaves an actual deficit of $158 million for the year, assuming that the government pays its indirect and direct share. This would mean that at the end of the year, if we take this $158 million and add it to the government's share, we would come up with a figure of $1,148 million. Then there is an authorization to advance $800 million, which leaves us with a $248-million deficit.

Now your warrant number one, as I understand it, on October 5, was for $234 million, which normally at the end of the calendar year would leave you with $14 million in hand, which is just about what you had at December 31. Actually, you figured that the fund would be exhausted on January 3. Then there was warrant number two, issued on December 14, for $220 million. This would leave you with $206 million in hand which, I understand from the evidence now before us, will be exhausted on February 7.

Hon. Mr. Drury: That is correct.

The Deputy Chairman: Perhaps I could check those figures with your officials later, because I would like to suggest to the committee that they should be included in our report.

Are there any other questions to be asked of the minister? Actually, we have kept him longer than we intended.

Senator Flynn: I have one question I would like to ask the minister, if he can stay with us another ten minutes. If not, I can ask it of the officials. It has to do with the winter capital projects, page 16. It provides for loans to provinces, et cetera, during four fiscal years and it amounts to $350 million. I was wondering why you would put there $350 million when in fact you need apparently only $75 million for the current fiscal year. You are already appropriating for three future years the money which could go into the next budget.

Hon. Mr. Drury: There are really two forms of authorization neded in this kind of program. One is what I think is popularly known as commitment authority. This is authority to contract. We promise the provinces so much money over the next number of years. Then the question arises as to how much cash is going to be needed in that particular program during the current year. This accounts for the difference between the $350 million and the $75 million you have mentioned. One cannot hope to have a three-year program such as this initiated by the provinces if the federal government says, "Well, we will promise you $75 million as a start, and we will say nothing about what will happen in subsequent years."

Senator Flynn: I can see that but, as far as the accounting is concerned, this will provide for the fiscal year 1972-73 a sum that is close to $275 million more than will really be spent.

Hon. Mr. Drury: More than in cash, that is correct.

Senator Flynn: How will this be transferred into the appropriations for the following three years?

Hon. Mr. Drury: The authority now being granted will not reappear in appropriations in subsequent fiscal years. This is what is called non-lapsing authority.

Senator Flynn: In some way it will falsify the budget expenditures over the next three years.

Hon. Mr. Drury: If the budgetary appropriations were entirely cash they would, to this extent, be falsified. But the cash flow is not obtained through the budgetary appropriations. This is displayed by the Minister of Finance in his annual or semi-annual budgetary provisions.

Senator Flynn: Do you not agree that this program would have been better covered by legislation?

Hon. Mr. Drury: Well, I suggest it is being covered by legislation.

Senator Flynn: Yes, I know an appropriation bill is legislation.

Hon. Mr. Drury: You are suggesting another form of legislation?

Senator Flynn: You have always frowned at this suggestion.

The Deputy Chairman: I think the point that Senator Flynn is making is that we now show total estimates of some $17,829,000,000 for this year, whereas because of the forgiveness feature it is obvious this is an exaggeration of the budgetary and non-budgetary requirements for this fiscal year.

Hon. Mr. Drury: In terms of cash, that is correct, Mr. Chairman. When we are talking about the Unemployment Insurance Commission it is strictly cash. This program requires a more constractual authority.

The Deputy Chairman: What is the forgiveness feature, and how will that be handled in the public accounts and in the estimates?

Hon. Mr. Drury: I would ask Mr. MacDonald to answer that.

Mr. MacDonald: Mr. Chairman, that would show as a statutory item in the estimates.

Senator Flynn: As if it were legislation?

Mr. MacDonald: Yes.

The Deputy Chairman: It has been suggested that there is an important question about the legality of obtaining parliamentary commitments for appropriations, or payments if you like, in the years beyond the current fiscal year. This is, perhaps, in conflict with section 20 of the Financial Administration Act which says that the estimates can only be put before Parliament for payments for services due during the current fiscal year.

I raise this because it is obviously necessary for the government to provide for payments on an on-going basis. This is why I asked earlier if there was possibly a need for a revision of the act. Section 20 would absolutely prohibit any appropriation by Parliament for obligations that would not come in the course of payments for the current year.

Hon. Mr. Drury: Mr. Chairman, I think that rather than a revision of the act, what was needed at one time was a revision of the estimates. We had changed the estimates. If one looks at the thick blue book it is composed of two kinds of estimates, one for moneys to be voted, and the other for moneys which will have to be paid in relation to arrangements previously or in some other way authorized.

The Deputy Chairman: You are referring to statutory payments.

Hon. Mr. Drury: Yes, statutory. These arrangements may arise out of a special statute such as the Fitness and Amateur Sport Program, or the fiscal arrangements with the provinces, the Fiscal Arrangements Act or some other act, or out of earlier Appropriation Acts themselves.

Can you think of a fairly large program which had its genesis in the Appropriation Act, Mr. MacDonald?

Mr. MacDonald: Mr. Chairman, an expenditure has been made during the current fiscal year for the so-called two-price wheat payment. We are talking about financial estimates for the last fiscal year. There are various loans made to crown corporations.

Hon. Mr. Drury: Mr. Chairman, the estimates show, first of all, the sums to be voted, and then the estimates of cash flow under the previous statutory arrangements; and the total adds up to many billions of dollars. If one looks at page 3 of the little book in front of you you will see that in these supplementary estimates are sums of money to be voted, and a column for payments made under other statutes. There are none in this particular case, but there are considerable numbers in the main estimates, and then the so-called non-budgetary items which Mr. MacDonald described. They tend to be non-lapsing.

The Deputy Chairman: Mr. Minister, you say that this figure of $350 million under the Department of Finance will be a statutory item. It is not yet a statutory item. Is it going to be a statutory item in due course, as a result of the Appropriation Act?

Mr. MacDonald: If this Appropriation Act passes, then the provision for forgiveness of certain costs incurred by municipalities and provinces will become statutory items and will appear in subsequent estimates as statutory payments.

The Deputy Chairman: We are making it statutory then by the Appropriation Act. I might say that this committee has objected on previous occasions, as you know, to this type of major legislation by an Appropriation Act.

I am sorry to keep you so long, Mr. Minister, but it is very kind of you to stay so long.

Senator Phillips: Mr. Minister, what disturbs me is that in projecting to 1975 we are almost predicting unemploy-

ment to that date, and this is rather disheartening. What form of reporting to Parliament do we receive when this becomes a statutory item? In other words, I would like to find out what each province uses each year, what was the amount of forgiveness, and so on. In what form is this reported to Parliament?

The Deputy Chairman: The minister would like this question to be the last, unless there is an urgent question from anyone, as he has overstayed his time.

Hon. Mr. Drury: If you would refer to the thick blue book, Mr. Chairman, I have just had shown to me under the heading "Finance" a similar, prior case. It is at page 8-30:

> Statutory—Forgiveness of indebtedness in accordance with terms and conditions as set out in Finance Vote L19a, Appropriation Act No. 4, 1971.

This is another of these forgiveness arrangements. $35 million is contemplated for outgo in the year 1972-1973. The activity is described in some detail at the foot of the page. Nothing contained in that page requires to be voted.

Senator Phillips: But that does not provide a breakdown by provinces.

Hon. Mr. Drury: No, it gives some detail. It is, granted, an abbreviated report, which enables the House of Commons or the Senate, through the committee procedure, to request such additional detail as they require. The book is filled with these almost laconic references as to what it is all about and the amount of money. If we were to give a complete report, we would run into many volumes.

Senator Phillips: Thank you. I know where to find the figures for each province now.

The Deputy Chairman: It would be contained in the Public Accounts.

Hon. Mr. Drury: It would be contained in the Public Accounts. The only practical difficulty, however, to that is that the Public Accounts emerge some nine months after the end of the fiscal year in question and the curiosity is aroused some time before that.

Senator Phillips: Have all the provinces signed agreements to participate in this?

Hon. Mr. Drury: I am not sure. I did not read the testimony of the Minister of Finance before the Commons committee, but I can find out and let you know.

Senator Phillips: Thank you.

The Deputy Chairman: Mr. Minister, can we take it that this $350 million, a very large item in these supplementary estimates, is an authorization to commit some part of this sum over a period of some four years?

Hon. Mr. Drury: It is an authorization to the government to enter into a series of agreements with the provinces, as outlined in some detail at page 16 and following, to provide for funding of programs, with a forgiveness arrangement.

I meant to respond to the observation that this was a forecast that serious unemployment would continue until 1975. I think perhaps that should be qualified, in that this is not an unemployment crisis type of program, but is directed rather more to seasonal unemployment. I would not care to suggest that we will cure seasonal unemployment before 1975. We have not yet found a way of changing the weather.

Senator Flynn: At one time the government was not convinced that the winter works scheme had any value and abandoned it entirely.

Hon. Mr. Drury: We have tried, Mr. Chairman, a number of programs throughout the years, none of which has been entirely successful, to lessen the impact of climate and habit in this country on the continuity of employment.

Senator Flynn: What convinced you to return to this program?

Senator Phillips: It is essentially the Diefenbaker program.

Hon. Mr. Drury: It differs from the Diefenbaker program and one particularly useful feature of this is that it is not a short-term, make-work project lasting three months. There is a continuity to this, and we have overcome the problem to some degree, anyhow, which is one of the effects of our earlier efforts, the so-called Winter Works Program.

Senator Flynn: You have to be optimistic, anyway.

Hon. Mr. Drury: I think we must try.

The Deputy Chairman: Is it your wish to excuse the minister now? I think we must, and continue with Mr. Kroeger and Mr. MacDonald.

Hon. Mr. Drury: Thank you very much for your courtesy. I apologize for having to run. However, I must earn the money the taxpayers, perhaps unwillingly, pay me. Excuse me and thank you.

The Deputy Chairman: Thank you very much, Mr. Minister.

Honourable senators, my suggestion is that we run through the departments, starting with Agriculture, giving opportunity for further questions to be directed to the two senior officials of the Treasury Board. Is that agreed?

Hon. Senators: Agreed.

The Deputy Chairman: We start with page 6, Agriculture, vote 15a. Are there any further questions with relation to this?

Senator Phillips: Yes, Mr. Chairman. The minister stated that he was not sure when the payments for the transportation and assistance program would begin.

I note that the minister stated that the application forms for the feed grain purchase assistance will be available in the spring of 1973.

The Deputy Chairman: Excuse me; you say "the minister." To which minister do you refer?

Senator Phillips: I am referring to Mr. Drury, but then quoting from the Minister of Agriculture's remarks. Thank you; I had said "the minister" twice, and I can see it is confusing. I have heard considerable criticism from the farm organizations that they will have great difficulty in presenting proof of purchases. What form of proof must they present?

Mr. A. Kroeger, Deputy Secretary, Program Branch, Treasury Board: I am sorry, senator; we will have to get that information for you, as we do not have it now. We could provide it to you in a very short time.

Senator Phillips: Could I have it before we receive the appropriation bill?

Mr. Kroeger: We might be able to get it for you this afternoon. We will speak to the department about it.

Senator Phillips: There is another one dealing with Agriculture. There is an amount of $40 million for hopper cars.

Mr. Kroeger: That would be under Industry, Trade and Commerce.

The Deputy Chairman: It is on page 20.

Mr. Kroeger: That is correct.

The Deputy Chairman: You may deal with it now, if you like.

Senator Phillips: This is something which, in my study of the estimates before, I had not noticed. Apparently, we are spending $40 million on the purchase of grain hopper cars. Under what terms and conditions are they leased to the railways, and so on?

The Deputy Chairman: Actually, senator, I think the amount is $48 million. There are funds available. The total vote here would be $48 million, is that correct?

Mr. Kroeger: That is correct. The total cost of the cars would be $48 million; but, as the committee will see on page 20, the department has some part of these funds available already in its estimates and requires only the net supplement of $40 million. The program involves the acquisition of 2,000 hopper cars which are the responsibility of the Wheat Board, and the Wheat Board makes them available to the railways. We do not have the detailed terms and conditions under which this is being done. Is there a specific point which we can explore for you, senator?

Senator Phillips: In other words, we are using public funds to buy hopper cars and maintain them for the Canadian Pacific, which is a private company.

Mr. Kroeger: That would be accurate.

The Deputy Chairman: For the use of the railways.

Mr. Kroeger: For the use of the railways; that is correct.

Senator Phillips: Are they charged any fee for their use?

Mr. Kroeger: My understanding is that they are not.

Senator Phillips: Probably most of the members of the committee are not aware of this, but a special type of car is also required to transport potatoes from the Maritimes to central Canada. I have no objection to the program if it is going to help the Western farmer. Is any consideration being given to providing a similar program for potato producers in New Brunswick and Prince Edward Island? I should like to point out that the freight rate increase for potatoes from 1967 to 1972 has cost the average producer in New Brunswick and Prince Edward Island $1,000. I wonder if a program could be instituted whereby free cars could be provided for potato producers and thereby reduce freight rates.

The Deputy Chairman: May we take that as an observation? That is a question which possibly we should not direct to the officials.

Senator Phillips: I am sure the officials will pass it on to the minister.

The Deputy Chairman: It will be on the record.

Senator Phillips: I hope it will be passed on to the minister.

The Deputy Chairman: An interesting question arises. Is this another case where we are to have a statute of Parliament in a very abbreviated form dealing with the expenditure of $48 million, which appears to be a major new program, to be made effective in an appropriation bill? Is this so, or will there be a separate act of Parliament, or amendment to an act other than the appropriation act setting out the whole conditions of this?

Mr. Kroeger: This entry in the estimates authorizes the acquisition of hopper cars, just as entries in the main estimates would authorize other capital acquisitions or capital payments. There is no intention to seek a separate act of Parliament in respect of this purchase.

The Deputy Chairman: This type of legislation raises quite serious problems. I am sure that Parliament would want to ask a lot of questions about this. Why are payments made to the Wheat Board? Why not a subsidy to the railways, and so on? I merely raise the question because the committee has been concerned about major legislation by appropriation act. We have objected to it before, but have not had very much success. May I take it that we have now dealt with Industry, Trade and Commerce and that we may go on to page 10, Environment?

Senator Carter: I have a question.

The Deputy Chairman: Under what vote?

Senator Carter: On page 10. Under Fisheries Management and Research there is an item of $1,300,000. I gather from what Mr. Drury said earlier that $950,000 has been advanced from the Contingency Fund and will be paid out of this $1,300,000. Is that correct?

Mr. Kroeger: Yes.

Senator Carter: That leaves only $350,000 for salmon fishermen.

Mr. Kroeger: For this fiscal year.

Senator Carter: Have you any breakdown of how these payments are to be made, how the $350,000 is to be distributed among the Atlantic provinces?

Mr. Kroeger: A breakdown on what basis?

Senator Carter: By province.

Mr. Kroeger: I am afraid we do not have that, senator.

The Deputy Chairman: There was considerable discussion in the committee of the other place. I could give you the reference afterwards, senator. I think this applied mostly to the Restigouche and New Brunswick.

Mr. Kroeger: It would cover payments to fishermen in Quebec as well as New Brunswick; but the exact breakdown is not available here.

The Deputy Chairman: Also in Newfoundland and Nova Scotia.

Senator Carter: All the Atlantic provinces are supposed to share in that.

Senator Phillips: What percentage of fishermen have received payments?

Mr. Kroeger: We would have to obtain that information for you from the department, senator.

Senator Carter: Is there any way of having that information put on the record, or is it lost?

Senator Phillips: That is one of the things that disturb me. I am in no way blaming the witnesses for this. It is really our fault, because it is the method under which we proceed in committee. We have only representatives of the Treasury Board before us. I know, from past experience, that when information is promised at a later date, it could be anywhere from nine months to a year before one gets it. We are dealing with a rather sensitive supplementary, and I think it is rather unfortunate that we do not have before us witnesses from other departments.

The Deputy Chairman: I agree with that. It is a real problem. In connection with these supplementaries, the committee in the other place heard eight ministers in well over a dozen sessions running over a period of a month. Their reports are voluminous.

Senator Phillips: I have read and studied them, and I am still not satisfied.

The Deputy Chairman: It is a question of whether this committee wants to do that kind of analysis. The committee took the position some time ago that it would do an overview job on the total figures, and that it could at some time proceed in a different manner and perhaps take a single department and analyze it carefully. We might at some time proceed in a different manner. Perhaps we could take a single department and make a thorough analysis of it, but this will be entirely up to the chairman, the steering committee and the committee itself. At the moment we are in the position where we normally have one session of this committee, and it is entirely up to the committee to decide whether we should proceed in a different manner. For the moment I suggest we can only proceed on this basis. As I say, the Miscellaneous Estimates Committee of the other place heard a number of ministers.

Are there any questions with respect to the Department of External Affairs? If there are no questions on External Affairs we will move to the Department of Finance, page 14.

Senator Carter: I have a question, Mr. Chairman, with respect to the breakdown by provinces which appears on page 16. The loan to the province of Newfoundland is $12,100,000 spread over three years. That is not $4 million a year, is it? In other words, the province of Newfoundland can use the entire $12,100,000 in one year, leaving nothing for the following years, or are there any limits?

Mr. Kroeger: That is correct. It ends in June, 1975. The total amount for that period, in the case of Newfoundland, is $12,100,000.

Senator Phillips: In that regard, Mr. Chairman, I have two or three questions which I should like to direct to the witnesses. First of all, I should like to know the terms of repayment. These are established by the Minister of Finance. If I were obtaining a loan I should like to know the rate of interest, the number of years for repayment, and how much has to be repaid in each year. Can you give us any information in that regard?

Mr. Kroeger: The conditions are set out on page 16 under (b). You will notice the period is 20 years, or such lesser period as the Minister of Finance may fix. Then under (b) (iii) are the specifications with respect to the rate of interest.

Senator Phillips: My second question is: What percentage of the $350 million will be forgiven? In other words, what is the onsite payroll?

Mr. Kroeger: The breakdown for forgiveness is set out on page 18.

Senator Phillips: Yes, 50 per cent of the onsite payroll costs, but what is that estimated to be?

Mr. Kroeger: We would have to get that information from the Department of Finance.

Mr. MacDonald: Mr. Chairman, if it would be of assistance, under the earlier program which was for $160 million, the estimated forgiveness portion was to be of

the order of $35 million. We will seek to find out if there is a figure that differs significantly from this regarding the $350 million. It might be difficult to estimate it at this time.

Mr. Kroeger: It would depend on the proportion of the total costs represented by payroll costs as the projects were submitted over the period of this program. We could only provide information in respect of projects that have been submitted thus far.

Senator Phillips: I am particularly interested in this, Mr. Chairman, because while the federal government is presenting it as an unemployment measure, it seems to me that the provinces are going to end up footing at least three-quarters of the bill while the federal government claims credit for the measure. I think this is a basis on which the provinces have a complaint.

I note that if one province does not assume its full share or allotment, this can then be allotted to another province. How is that done?

Mr. Kroeger: It is not specified, Mr. Chairman. We may be able to get that information.

Senator Phillips: This is a rather unusual arrangement whereby funds can be transferred from one province to another without any details being specified, is it not?

The Deputy Chairman: I will take that as an observation rather than a question, Senator Phillips. I have no answer, except to say that the vote does say:

> ...the Minister of Finance may add the said unused portion to the allocated amount available for any other province or provinces...

I think that question comes back to a matter I have raised so many times, the question of this being done by appropriation act rather than by a normal act of Parliament in which one would expect this to be spelled out, or certainly a thorough examination conducted as opposed to the hurried way in which these supplementary estimates were dealt with here and in the other place. In spite of the fact that they had twelve or more sessions, they rushed through most of the estimates. The warrants took up most of the time. If you look at the proceedings of the committee of the other place you will see that of the nine reports they issued, eight dealt almost entirely with the question of warrants. Report No. 8, I think it is, deals with the evidence of all the other ministers. I agree with you that it is a rather hasty way of dealing with appropriation acts or anticipated appropriation acts which will introduce major new policies.

Senator Carter: I have a question on a point raised by Senator Phillips, Mr. Chairman. Senator Phillips made the point that if the federal government is only paying 50 per cent of the labour, then it is possible that the provincial governments will be paying 75 per cent of the cost of the project under this program. Is that not entirely up to the provinces? Is this not geared to encourage labour-intensive projects as opposed to capital-intensive projects? It is really encouraging the provincial governments to spend the money on projects that are going to employ a lot of people so that a large proportion will be spent on wages rather than on material.

Mr. Kroeger: That is correct. The proportion of the total cost of a project borne by the province would depend on the capital content of that particular project.

Senator Carter: So it is up to the provinces themselves to use that money to produce as many jobs as possible rather than to spend it on materials.

Senator Phillips: I do not dispute that fact, Mr. Chairman, but in the case of the installation of a sewage system, for example, piping does have to be purchased. The province only gets paid for the onsite payroll costs, not the costs of any material. A sewage system is a fairly labour-intensive project. I feel that the provinces have been nailed in that they are being asked to participate in a program for which they are going to bear the brunt of the costs and for which the federal government will take all the bouquets.

The Deputy Chairman: We have dealt with page 20, Industry, Trade and Commerce. Perhaps we could move on to page 22, Justice. I note here a $1 item. We usually have a statement from the Treasury Board under these $1 items. Would you care to make a comment now, Mr. MacDonald?

Mr. MacDonald: We could have this summary distributed.

The Deputy Chairman: Perhaps that could be distributed, and then you could make a comment. It has been normal in this committee to have the Treasury Board break the $1 items down into various categories and comment on them. As honourable senators are aware, some years ago, when discussing these $1 items and making some observations about their various kinds of use, we asked the Treasury Board in future to give us a summary breaking them down into use categories. It has been normal to have a brief explanation from the officials.

Mr. MacDonald: The number of $1 items is very small in this particular case. They are shown in the summary divided into three categories. There are those having to do with the offsets between votes, where in one department money may be diverted for another purpose because of higher priorities or changing circumstances. Another instance is that of a $1 item having to do with the securing of approval of the grants because of the generally accepted principle that grants in the purest sense require parliamentary approval. There are $1 items which are legislative in nature. In this case, these are the ones that have usually attracted most attention. One has to do with an extension of the period of election under the Members of Parliament Retiring Allowances Act.

The Deputy Chairman: These would appear on the last page of the statement.

Mr. MacDonald: That is correct. The next one deals with the National Museums of Canada. The act governing

the National Museums requires that Parliament specifically approve the amounts that are to be made available for purchases for the collections of a museum, and as the amount is always provided in the main estimates each year this meant an amendment to the main estimates.

The item under Central Mortgage and Housing Corporation takes care of the fact that the provisions that were made for certain expenses of the Central Mortgage and Housing Corporation in the main estimates require that they cover only expenditures made in the calendar year ending December 31, 1972. One of the programs involved is the winter warmth program. The expenditures are occurring in the later period, January through March, so no additional funds are required, but an amendment to the originl Appropriation Act is required.

Senator Phillips: On vote 90a, do I take it that we are increasing the purchase account by $1 million to $3,100,000; that we are giving a one-third increase by a $1 item?

Mr. MacDonald: Yes. This amount is always specified in an appropriation act. The amount that goes into the purchase account is always specified in appropriation acts and never in any other legislation, because the legislation governing museums basically requires that it be provided through an appropriation act.

Senator Phillips: I am still surprised to find a 30 per cent increase.

Mr. MacDonald: I beg your pardon. This is a diversion of money already provided to the museums for operating purposes under the Appropriation Act to the purchasing account.

Senator Phillips: I refer now to vote 10a. There have been several days this winter when I wondered what was exactly meant by a winter warmth program. Can you explain to us what that program is and why it could not be completed or at least be begun before December 31, 1972?

Mr. Kroeger: The winter warmth program is for the improvement of housing of Métis and non-status Indians, to provide better protection against winter conditions. The program takes the form of a $2 million grant, which can be used to encourage improvement of the housing conditions of these groups. However, the corporation's financial year is the calendar year. The corporation has the funds, but it was not able to spend beyond December 31, 1972. Therefore, the object of the $1 item is to authorize an extension of the period to March 31, 1973, the end of the government's fiscal year.

Senator Phillips: I can recall setting up a meeting between the officials of the Métis and non-status Indians with CMHC back in April, 1972. I would hope that in future on this program CMHC might move a bit more quickly.

The Deputy Chairman: Let us move on to page 22, Justice, and page 24, Manpower and Immigration. We have dealt with the major item there. Are there any further comments on the votes there?

Senator Phillips: Under what item does the Local Initiative and Training on the Job Program come?

Mr. Kroeger: You will find that on page 24, vote 5a and vote 10a.

Senator Phillips: Have there been any changes in the conditions this year as opposed to last year?

Mr. Kroeger: Conditions for approval?

Senator Phillips: Last year there were significant classes of people who were excluded from receiving employment. For instance, someone who would be taking in a special sales line could not be included. Has there been any change in the regulations this year?

Mr. Kroeger: The only comment I can make is that this year the program is along the same general lines as last year. It is quite possible that there have been certain changes of detail in the rules of eligibility, but we do not have that information with us. Generally speaking, the program is along the same lines as last year.

The Deputy Chairman: Again we have a case as in the last one, when we were discussing funds available in the main estimates. Is there ever an accounting given to Parliament as to the reason for the non-use of these funds? I ask that question because obviously at some time Parliament has said that these expenditures should be made. Very often in estimates, particularly supplementary estimates, we are told, "We have not spent these funds. Some of them are available. Therefore it is left to a $1 vote." Members of Parliament might wish to ask why that money was not spent. Is an accounting ever given of them?

Mr. Kroeger: This is the reason for the lapses, why a department lapses funds.

The Deputy Chairman: They do not lapse them. This is really the point, that instead of lapsing them, they say that they have the money and they will spend it on something else.

Mr. MacDonald: This particular item here that shows funds available is of a peculiar nature, involving a payment of a grant. I might also say that the breadth of this particular program, the development and utilization of manpower, would encompass the payment of such a grant. So it is not using funds for a general purpose other than Parliament intended, but in order to gain parliamentary approval for this grant. In respect to funds which are offset from one vote to another, a diversion of funds as between two parliamentary votes, those of course are reflected in the supplementary estimates and are also reflected in the public accounts.

The Deputy Chairman: The point I want to make is that there is no explanation given as to why that money is available—in other words, why the appropriation authorized by Parliament has not been expended on the object for which it was appropriated. Is there an accounting anywhere?

Mr. Kroeger: There would be an opportunity, of course, for committees to question any transfers or proposals. As for funds that are simply lapsed at the end of the year, presumably the only opportunity to raise questions of that kind would arise before the Public Accounts Committee.

The Deputy Chairman: You see my point, that circumstances could arise where an appropriation was made by Parliament for, let us say, a specific building in a specific village and this was not proceeded with so the money was available. Is there any way that members of Parliament generally would know that this project had been abandoned for some reason and therefore the money was available? I do not think so.

Mr. Kroeger: I do not think so, Mr. Chairman.

Senator Phillips: Mr. Chairman, under what items would the LIP and the adult occupational training come?

The Deputy Chairman: I think you have the answer to that—5a is the adult occupational training, on page 24.

Senator Phillips: Is vote 5a the adult occupational training?

The Deputy Chairman: Yes.

Senator Phillips: There was a reduction in the weekly rate there. I understand it has been reduced to $30 a week. I would like to inquire whether the rate is the same all across Canada.

Mr. Kroeger: We would have to seek that information from the department.

Mr. MacDonald: May I ask the senator if he is referring to the rate of the allowances?

Senator Phillips: Yes. A person undergoing adult occupational training has a certain scale set out: if he is married he gets so much; if he has dependents he gets so much; and if he is living at home he gets so much. This year in the program the amount has been reduced to $30 a week. Does this vary across Canada?

Mr. MacDonald: We would have to find out, but to the best of my knowledge, according to the basis established in the act, it is increased according to changes in the index of salaries and wages. We could find out if it is uniform across Canada.

Senator Phillips: And also the travelling allowances whether they are uniform, while you are doing so.

The Deputy Chairman: Taking it that that information will be provided, can we move on to page 30, National Health and Welfare?

Senator Phillips: What does the LIP program come under?

Mr. Kroeger: Under 10a.

Senator Phillips: There have been certain changes in that program this year, I believe, in which there now are more references to the provinces. Can you give me any indication of what percentage of the provinces have objected to programs? In other words, what percentage of programs have been rejected by the provinces?

Mr. Kroeger: We would have to seek information from the department which would be limited, of course, to those projects which have been processed to date. There are still projects in the pipe line. We have no information on the exact state of the discussions with the provinces.

Sneator Phillips: The auditing system used on LIP projects last year, Mr. Chairman, reminded me very much of those used by the Company of Young Canadians. I was rather surprised, sir, to find out that only 10 per cent of the projects under $40,000 went through any form of audit and that only 50 per cent of those over $40,000 went through any form of audit. What form of auditing is being used this year?

The Deputy Chairman: On LIP?

Senator Phillips: On LIP projects.

Mr. Kroeger: Could we seek that information, Mr. Chairman, at the same time as we are taking these other points up with the department?

Senator Phillips: You are going to be flooding me with information this afternoon, you know that.

The Deputy Chairman: That is what we are here for, Senator Phillips. There is no objection whatsoever, I am sure. You are asking officials to provide answers to questions. It is understandable that they would not have all the information.

Senator Phillips: I fully understand that.

The Deputy Chairman: And it would take some particular form of genius, I think, to anticipate the very interesting questions that you ask. Could we move on?

Senator Phillips: You could have been more complimentary, Mr. Chairman, and suggested that there was some form of a genius asking the questions, but you did not do that.

The Deputy Chairman: Could we move on to page 32, National Health and Welfare? Here we have some warrants again.

Senator Phillips: Were these warrants due to the fact, Mr. Chairman, that many people had used up their unemployment insurance and consequently had to go on welfare? Is this the increase?

Mr. Kroeger: No, Mr. Chairman. The use of warrants in respect of the Department of National Health and

Welfare was for payments under the Fitness and Amateur Sport Program.

The Deputy Chairman: In other words, the expenses had exceeded the appropriation.

Mr. MacDonald: Mr. Chairman, under the fitness part of last summer student summer employment program the department had a program of athletic scholarships, and this money was paid out during the summer in the expectation of these supplementary estimates with the approval of government in accordance with that program. Before supplementary estimates could be obtained, the department had exhausted all its funds and was unable to meet its commitments. This is why the special warrant was sought.

The Deputy Chairman: We will move on to page 36. There are no warrants here.

Senator Phillips: Mr. Chairman, the question I am about to raise I raised before in this committee and at that time I had more representatives from the Atlantic provinces to support me. However, in looking at the new major capital projects, I think one would almost get the idea that Canada stops at the Quebec border. A general rundown, I believe, will indicate that there is only one project in the whole Atlantic region. At that previous time the minister in charge of the Treasury Board, Mr. Drury, agreed with me that I had a very major point, and he assured me that reviews would be made, particularly by Treasury Board. Therefore I am rather curious to know why I find only this one project in all the Atlantic provinces. That happens to be in Caraquet, New Brunswick, for a new federal building.

Mr. Kroeger: Mr. Chairman, the works listed in the present supplementary estimates are those that were not foreseen during the department's general planning for the 1972-73 fiscal year. The comprehensive list would appear in the main estimates, and these are only certain projects of an unforseen character which were not decided upon in time for incorporation in the large blue book.

Senator Phillips: Are these not considered make-work projects?

Mr. Kroeger: No, they are not, Mr. Chairman. These are projects, the particular circumstances of which made it necessary in each case for the department to make an earlier start than had otherwise been considered. There are also certain major projects, and I draw the attention of the committee to the reference to the Montreal MAPP, which stands for Metropolitan Area Postal Program.

The Deputy Chairman: I am sure Senator Phillips will have noted that whereas in the case of British Columbia, New Brunswick and Quebec these are designated as federal buildings, there is still one in Toronto known as the Dominion Building.

Senator Phillips: We can still hope.

The Deputy Chairman: Can we pass on to Regional Economic Expansion on page 38?

Senator Phillips: Before asking my question, Mr. Chairman, I note that with high unemployment and other difficulties we have in the labour force, here is one department which is not asking for any great amount of money, except for one specific purpose, which I will deal with in a moment. As I pointed out earlier, if we are paying $1 million per hour for unemployment insurance, I would have hoped that the Department of Regional Economic Expansion would be looking for funds for different purposes. It seems to me that we would be better off if we were paying $1 million an hour for expansion and thereby creating employment rather than by paying unemployment insurance. In this connection I ask what territory is covered in Nova Scotia? Is it just Halifax and Dartmouth, or does it extend beyond that?

Mr. Kroeger: My understanding, Mr. Chairman, is that this corporation would be limited to the Halifax-Dartmouth area.

Senator Phillips: And Cape Breton would not qualify, or any other part of Nova Scotia?

The Deputy Chairman: Vote 35a deals with Cape Breton.

Senator Phillips: Yes. How are the directors appointed?

Mr. Kroeger: Are you referring to the directors of the Cape Breton Development Corporation?

The Deputy Chairman: No, the Metropolitan Area Growth Investments Limited.

Mr. Kroeger: We have no information on that point, I am sorry, Mr. Chairman.

The Deputy Chairman: Under Cape Breton Development Corporation it looks as though there is a transfer of $4 million from the capital vote to operations vote.

Mr. Kroeger: That is correct.

The Deputy Chairman: Shall we pass on to the section dealing with the Secretary of State, page 42? There is a contingency vote here as well.

Senator Phillips: Mr. Chairman, what is meant by "friendship and cultural education"? What does this include? It calls for a vote.

The Deputy Chairman: Where is this, Senator Phillips?

Senator Phillips: Under Secretary of State, vote 35a I believe.

The Deputy Chairman: The section on Secretary of State is on page 42. I do not see to what you are referring.

Senator Phillips: Page 42. In the explanation given in the minutes of the committee meetings of the other place they referred to "friendship and cultural education."

Mr. Kroeger: Mr. Chairman, friendship centres are being established in various cities to provide advice and assistance as well as a certain amount of guidance to Indians and Métis who have moved from a rural to an urban environment. I think they could be described as multipurpose institutions. They are intended to assist native people in adapting to an urban environment with which many of them are unfamiliar. They are able to provide them with a certain amount of assistance in finding accommodation.

In cases of distress they are sometimes able to provide them with guidance in solving problems which may have arisen.

Cultural education centres are being established in many parts of the country and, as I understand it, they are specifically intended to provide education to native people concerning Indian and Eskimo culture and history, as well as providing a certain amount of academic training. I believe the course can run for several years. Generally speaking, people who are trained in these centres are in the post-secondary stage, but not necessarily so.

The Deputy Chairman: Shall we move on to the section dealing with Supply and Services, page 46? By the way, Senator Phillips, I am sure you will notice there is $1,400,000 allotted for Prince Edward Island.

Senator Phillips: I would point out that all the provinces received grants on the same basis, and that includes Ontario.

The Deputy Chairman: Can we pass on to Transport, page 48?

Senator Phillips: Pardon me. Before we leave Supply and Services, I notice it contains an item of $1,272,000 for the Computer Services Bureau. I believe Manpower also contained an item such as this. Can you explain to me how this deficit in the Computer Services Bureau occurred?

Mr. MacDonald: Mr. Chairman, the Computer Services Bureau has incurred a deficit, without being facetious, because its costs exceeded its income.

Senator Phillips: That is exactly why I asked the question.

Mr. MacDonald: This service was established to operate on a commercial basis, with all of its costs not to be covered directly by appropriations but by charges to customers, which are other departments. Over the years since this operation was put on what is known as the revolving fund basis, it has incurred losses. The department is now rethinking the whole basis of this particular operation. I might say that it has not been a very good series of years, even for the commercial service bureaux, many of whom have been in financial difficulties.

Senator Phillips: But I understand that certain departments of the government employ private firms. This may be due to programming or for some other reason, but I am not a computer expert and therefore do not understand it. Could you explain to me why, when Supply and Services has a deficit in the Computer Services Bureau, other government departments are employing private firms?

Mr. MacDonald: There is more than one reason. One is that the Services Bureau does not necessarily have the capacity to handle some of the work that can be handled on outside computers. Another is that it is fair to say that the government, as I have suggested, has tried to make this a competitive enterprise. If it gave it a monopoly it would not be operating as a business.

Senator Phillips: There has been a good deal of publicity lately regarding the fact that the Department of National Defence is planning to establish its own computer service. Is there any particular reason why they cannot use the service already established?

Mr. MacDonald: Senator, are you referring to their logistics project, their supply computers? I think that is the largest one the Department of National Defence is considering at the present time.

Senator Phillips: Yes.

Mr. MacDonald: There are security considerations and the very size of that enterprise would make it much more efficient if it were dedicated to the particular purpose of national defence than if it were involved with the work of a number of other departments. It is highly specialized work.

The Deputy Chairman: Transport, page 48. The pilotage items, plus the Northern Transportation Company. These were dealt with under the Governor General's warrants which were covered by the minister. It all comes under one warrant.

Senator Phillips: With respect to transport, Mr. Chairman, as you know, I have to watch very carefully the operation of the legal profession here. I understand that various pilotage authorities have engaged on a contract basis certain lawyers to act as legal advisers. Is any of this amount due to contracts concluded with legal advisers?

Mr. MacDonald: I am unable to answer that. If I may explain its purpose, the amounts shown are those which were covered in special warrants, which you will find listed in the appendix to the little blue book. That will cover the normal operations, the normal deficit of the pilotage authorities. If pilotage authorities are hiring legal advice, they would be paid out of the funds of the pilotage authorities.

Senator Phillips: I understand that these range on a part-time basis anywhere from $52,000 to $75,000 a year. I would like to know what percentage of the figures was accounted for by each pilotage authority.

My other question concerns the loan to the Northern Transportation Company for purchase of a number of barges. Were tenders called for the barges in question?

Mr. MacDonald: We would have to find that out.

Senator Phillips: Can you tell me whether they were built in Canada, using Canadian materials? I noticed a

comment in the *Minutes* of the other place to the effect that the motors were built in the United States. Surely, we could build them in Canada?

The Deputy Chairman: Could we have that as a memo? We move now to the Treasury Board. The $60 million has been explained by the minister.

Senator Phillips: As I understand it, a certain amount of that $60 million is used for employing what one might call casual help. Am I correct in that assumption?

Mr. MacDonald: "Casual help"?

Senator Phillips: Yes. I think the minister described it as new employment.

Mr. Kroeger: You are referring to the Federal Labour Intensive Projects.

Senator Phillips: Yes.

Mr. Kroeger: That is correct.

Senator Phillips: Can we get a breakdown as to how that is spread, not province by province, but by senatorial areas?

The Deputy Chairman: Let us have it by province.

Mr. Kroeger: The format used is the same as that for the program we discussed under the estimates of the Department of Finance. This involves taking into account three factors on a province by province basis: the population, the level of unemployment, and the seasonality of the unemployment. There are wider fluctuations from, say, August to February in some provinces than others. These three factors were used to establish a formula for the Winter Capital Projects Fund that were in the estimates of the Department of Finance, and the same formula was used for the Federal Labour Intensive Projects. I believe I do have with me the percentages that were used. Shall I read them out?

The Deputy Chairman: Please. We are rather pressed for time. I hope we can conclude fairly shortly. It is almost 1 o'clock, and the Senate is sitting at 2 o'clock today.

Senator Phillips: There is no reason why we could not have a second meeting.

The Deputy Chairman: No, there is not. That would be up to the committee.

Mr. Kroeger: The percentages, Mr. Chairman, are as follows: Ontario, 30.4; Quebec, 32.5; British Columbia, 10.7; Alberta, 6.3; Manitoba, 3.8; Saskatchewan, 3.7; Newfoundland, 3.4; Nova Scotia, 4.0; New Brunswick, 3.9; Prince Edward Island, .9; Yukon, .1; and the Northwest Territories, .2.

I believe there is a rounding error there; I believe that comes to 99.9 per cent.

Senator Phillips: Which is pretty good for the Treasury Board.

The Deputy Chairman: It is very close to the population breakdown.

Could we have a copy of those figures so that they may be appended to our report?

Mr. Kroeger: I have only a handwritten copy, Mr. Chairman.

The Deputy Chairman: I will check the figures with you later and prepare a copy.

Urban Affairs is a $1 vote which has already been explained in the memorandum which we received.

Veterans Affairs, page 54.

Senator Phillips: One question, Mr. Chairman. Is there any pressure being brought on the provincial governments with respect to war veterans' allowances? In some provinces the war veteran can apply for a supplement, and if he does it is deducted from his war veteran allowance. This results in considerable complaints from recipients of these allowances in that the program is no longer uniform across Canada.

I realize this is not a matter for the Treasury Board, but I wanted to make that observation in committee. This is a problem that all our war veterans have encountered over the last year or so, and I hope my observation will be passed on to those concerned, and I hope that the committee will...

The Deputy Chairman: Or you might care to make any observations in that regard when the appropriate bill is before the Senate.

Senator Carter: I should like to add to what Senator Phillips has said that this not only applies to veterans but also to the widows of veterans.

Senator Phillips: Yes.

The Deputy Chairman: Honourable senators, that concludes our examination of supplementary estimates (A) by departments for the current fiscal year.

As honourable senators are aware, the committee is required to make a report to the Senate, and in this connection it usually gives authority to the Chairman to prepare and submit a report. Since there are some quite controversial items in the estimates, I wonder if the committee on this occasion would authorize myself and Senator Molgat jointly to prepare a report for submission to the Senate.

Some hon. Senators: Agreed.

Senator Phillips: As long as you reject the supplementary estimates!

The Deputy Chairman: Honourable senators, is it your wish that we report to the Senate on these estimates? We are not required to approve, reject or commend them; we merely report that we have examined and found "the following..." Is it your wish that Senator Molgat and myself do that in the normal way?

Hon. Senators: Agreed.

The Deputy Chairman: Perhaps we will report to the Senate tomorrow rather than today. There is no urgency, is there, Senator Molgat?

Senator Molgat: We may have to sit tonight. If we were to present the report tonight, would it be your intention to move the adoption of the estimates?

The Deputy Chairman: We merely report. It has not been the practice to do more than that. In the other place the committee did commend—that was the word they used—the supplementaries by a vote of eight to nine, but we are not required to do that. We merely report. I think in the circumstances that is all we need do. Normally we take into consideration the evidence that has been given and some of the observations made.

May I, on your behalf, honourable senators, thank the senior officials from the Board for once again coming and being very helpful to us?

What is your wish on the returns of questions? It is not likely that we will have them in time to append to our report. In the past we have sometimes appended them to our next report. Would it be your wish that we do that?

Senator Phillips: Could we have them before the appropriation bill, in case we wish to make some comment?

The Deputy Chairman: The officials have said they will provide them as soon as they possibly can. Obviously, some of these matters might take a good deal of time. They will give us whatever they can, and we will see that they immediately get to those who have asked the questions. They can be provided to our clerk, and we undertake to let those who have asked the questions have them as soon as they are received.

Is it your wish that we append these answers to the questions to a subsequent report, so that they will be part of our on-going record?

Hon. Senators: Agreed.

Senator Molgat: The subsequent report would not prevent us from proceeding with the appropriation bill?

The Deputy Chairman: No. They would just go in the subsequent report. We have done this before. Is it agreed that we append the summary of the $1 items to our report?

Hon. Senators: Agreed.

The committee adjourned.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT

1973

THE SENATE OF CANADA

PROCEEDINGS
OF THE
STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable C. M. CARTER, *Acting Chairman*

Issue No. 2

FRIDAY, FEBRUARY 23, 1973

Complete Proceedings on Bill C-141, intituled:

"An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1972".

REPORT OF THE COMMITTEE

(Witnesses:—See Minutes of Proceedings)

25736—1

STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman;*

The Honourable A. Grosart, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.
Carter, C. W.
Choquette, Lionel
Côté, Jean-Pierre
Croll, David A.
Desruisseaux, P.
Everett, Douglas D.
*Flynn, Jacques
(*Ex officio*)
Giguère, Louis de G.
Grosart, Allister
Laird, Keith
Langlois, L.
Manning, Ernest C.
*Martin, Paul (*Ex officio*)
Nichol, John
Paterson, N. M.
Phillips, O. H.
Prowse, J. Harper
Rattenbury, N.
Rowe, F. W.
Sparrow, Herbert O.
Welch, Frank C.

(Quorum 5)

**Ex officio Member*

Order of Reference

Extract from the Minutes of Proceedings of the Senate of Thursday, February 22, 1973.

"Pursuant to Order, the Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat, that the Bill C-141, intituled: "An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973", be read the second time.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

The Bill was then read the second time.

The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat, that the Bill be referred to the Standing Senate Committee on National Finance.

The question being put on the motion, it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

25736—1½

Minutes of Proceedings

Friday, February 23, 1973.
(2)

Pursuant to adjournment and notice the Senate Standing Committee on National Finance met this day at 9.30 a.m. to consider Bill C-141 intituled "An Act for granting to Her Majesty certain sums of money for the financial year ending the 31st March, 1973.

Present: The Honourable Senators Carter, Côté, Desruisseaux, Flynn, Grosart, Langlois, Prowse, Rattenbury, and Yuzyk. (9)

Present, but not of the Committee: The Honourable Senators Blois, Bourget, Fournier, Forsey, Hays, Laing and Molgat. (7)

The Deputy Chairman for reasons already stated in the Debates of February 22, 1973 asked the Committee to be relieved of this duty as Deputy Chairman and asked the said Committee to elect an Acting Chairman for this meeting.

On motion of the Honourable Senator Côté it was *Agreed* that the Honourable Senator Carter be elected as the Acting Chairman of this particular meeting and/or until the Chairman returns.

From the Treasury Board:

The President, Mr. C. M. Drury;

The Assistant Secretary, Programmes Branch, Mr. B. A. MacDonald.

From the Justice Department:

The Director, Legislation Branch, Mr. J. W. Ryan;

Mr. J. W. Ryan undertook to furnish the Chairman with a written opinion concerning the said Bill.

The Honourable Senator Langlois moved that the said Bill be reported without amendment.

At 11.00 a.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Gérard Lemire,
Clerk of the Committee.

Report of the Committee

Friday, February 23, 1973.

The Standing Senate Committee on National Finance to which was referred Bill C-141, intituled: "An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973", has in obedience to the Order of reference of February 22, 1973, examined the said Bill and now reports the same without amendment.

Respectfully submitted.

C. W. Carter,
Acting Chairman.

The Standing Senate Committee on National Finance

Evidence

Friday, February 23, 1973

The Standing Senate Committee on National Finance to which was referred Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973, met this day at 9.30 a.m.

Senator Allister Grosart (*Deputy Chairman*) in the Chair.

The Deputy Chairman: Honourable senators, I will not welcome or introduce the minister for reasons that will be immediately apparent. I said in the house yesterday, honourable senators, that if this bill was referred to this committee I would ask you, for reasons which are already obvious to you, to relieve me of the position of Deputy Chairman and to elect a replacement.

Senator Langlois: I move that Senator Carter be elected Acting Chairman.

The Deputy Chairman: All in favour?

Hon. Senators: Agreed.

Senator C. W. Carter (*Acting Chairman*) in the Chair.

The Acting Chairman: Thank you, honourable senators. It is the first time I have had an opportunity to preside over the consideration of a money bill. It just shows you the variety of experience we get in the Senate.

Senator Prowse: And under such pleasant circumstances, too.

The Acting Chairman: Yes. When I was on the Special Senate Committee on Poverty my confrères were experts in poverty, and when I was on the Standing Senate Committee on Banking, Trade and Commerce I was at the opposite end of society, so this is quite an experience. Thank you very much.

Honourable senators, we have before us Bill C-141, an appropriation bill for granting certain sums of money to Her Majesty. We have with us the President of the Treasury Board, the Honourable Mr. Drury. Perhaps, Mr. Drury, you would like to begin with an opening statement.

Hon. C. M. Drury, President of the Treasury Board: Mr. Chairman, this is my second appearance before the committee dealing with this particular bill. I endeavoured to answer your questions the last time I was here. Rather than make a general statement, I think honourable senators will agree that this bill is necessary and that it is good.

If I have one message for honourable senators, perhaps it is this: It is customary to pay veterans in receipt of pensions and war veterans allowances so that they receive their cheques by the third last banking day of each month. This means that next Monday would be the day for them to receive, and presumably, to cash their cheques. Normally these are dispatched by mail on the previous Thursday.

Senator Prowse: You mean yesterday.

Hon. Mr. Drury: Yesterday, yes.

Senator Côté: They should have been.

Hon. Mr. Drury: However, the department has organized this so the cheques are as close to the ultimate recipient as they can be and still be in the possession of the government. There is, therefore, some degree of concern that we get these out before the weekend. Otherwise half a week will go by before they receive them. This applies also, of course, to the cessation of further payments in respect of LIP grants, the financing of LIP projects, and the training-on-the-job schemes. I do not want this to sound like a threat or any form of ultimatum. I am merely reporting a fact of which I do not think honourable senators would want to be ignorant.

It is my understanding that the concern at the present moment is as to the appropriateness of the winter works program announced in the name of the Minister of Finance—a three-year program of assistance to municipalities to enable them to accomplish municipal projects, and at the same time, to provide employment opportunities.

In response to requests both from the provinces and the municipalities for a longer time frame in which to plan and accomplish these things, and to make them effective and useful, a three-year program has been devised which began this winter.

Under this program there will be an incentive in the form of forgiveness which operates at a 50 per cent of the loan rate of forgiveness in respect of employment created during the course of the years in which the work is done; and a further 50 per cent for works accomplished during what are defined as the winter months to provide, if one may call it, a double incentive to carry out these works to the greatest extent possible during the winter months, the period of our high cycle of unemployment.

If I am advised correctly, Senator Flynn is concerned that the general philosophy of the Appropriation Acts and

of the Financial Administration Act is that moneys should be voted on an annual basis and that moneys not spent during the course of the fiscal year in which they are voted should lapse and require to be revoted or supplemented again in the following year. There have been, however, a number of, I suppose one might call them exceptions to this general rule which provides for statutory expenditures, so-called, and a number of programs in each year in which so-called non-lapsing funds are appropriated for on-going programs. As a consequence of these, in one year moneys voted for expenditure over a period of years do not lapse at the end of the fiscal year in which they are voted, but the authority to spend continues on to subsequent fiscal years. This $350 million program over the year is similar to at least one and, in some cases, more such precedents.

If honourable senators are interested in precedents or examples of previous occasions, Mr. MacDonald has carried out a quick analysis of previous supplementary estimates and has some examples.

Senator Flynn: I suppose these precedents are those mentioned by the Minister of Finance in the house?

Mr. B. A. MacDonald, Assistant Secretary, Program Branch, Treasury Board Secretariat: Some are additional and older precedents.

Senator Flynn: Because I have referred to those for the years 1958-59 and 1959-60.

Hon. Mr. Drury: We have some more recent than those.

Senator Flynn: Well, of course, as I said yesterday, the authority of more recent precedents is authority which you would support because it is the doing of your government. However, I checked the precedents mentioned by Mr. Turner for the years 1958-59 and 1959-60 and found that they do not apply. Of course, however, we would be interested to have them. It would assist the committee. It may not be exactly my argument, in any event, but we can see what these precedents are.

Senator Grosart: Before we hear them, Mr. Chairman, if this procedure is illegal or unconstitutional, could I ask whether it is considered that there is a way in which the precedents could make it legal and constitutional if those precedents are equally illegal or unconstitutional?

Hon. Mr. Drury: It is difficult, I think, Mr. Chairman, to describe them as illegal, in that . . .

Senator Grosart: I said, "if they are".

Hon. Mr. Drury: I was about to make the point that "if" is even less than hypothetical. The Parliament of Canada may enact laws on any subject under its jurisdiction that it wishes. To term a law of the Parliament of Canada "illegal" when it relates to its field of constitutional jurisdiction is just a contradiction in terms. The mere fact that Parliament has acted makes it legal.

Senator Grosart: That is going a little too far, because, you know, it depends on how you define "illegal". I have a very good example of that: an act might be passed by Parliament and found later not to have satisfied the requirements of the true passage of an act of Parliament. This has happened, so I suggest that your general statement is not true. It can happen that an act will pass through Parliament, and, because a flaw is found in the method, it becomes illegal and it has been so ruled. I am not saying that is the case here, but that is the principle; that is why I said, "illegal *or* unconstitutional".

Hon. Mr. Drury: "Unconstitutional" is a question partly of written law and partly of practice, and it is clear that precedent and long practice is one of the methods of establishing constitutional validity.

Senator Flynn: In order to see whether these precedents relate to this situation, maybe I can formulate, not my objection but my proposal of yesterday, that the $350 million mentioned in the schedule at page 6 under vote L12a is, of course, included in the $1,290,790,402, which is the total amount which we are appropriating by this bill. Clause 2 provides:

> From and out of the Consolidated Revenue Fund, there may be paid and applied a sum not exceeding in the whole one billion, two hundred and ninety million, seven hundred and ninety thousand, four hundred and two dollars,—

That includes the $350 million that we mentioned. The clause continues:

> —towards defraying the several charges and expenses of the public service, from the 1st day of April, 1972 to the 31st day of March, 1973,

That is my point, you see. I see that you have appropriated $350 million for the winter works program extending over a period of three years. You mentioned, however, when you appeared before this committee last, that for the present fiscal year you would require approximately an additional $75 million. As I understand it, if you needed $350 million, it would be quite clear that you could spend it before the 31st day of March, 1973. Since, however, you said that you needed only $75 million, I cannot see how you are allowed to spend the excess over expenditures to March 31 after that date, because the wording of clause 2 is quite clear, that it is appropriated for this year. This is my point. I am not saying that it is illegal to pass a bill providing for the Public Service from the 1st day of April 1972, to the 31st day of March, 1973 and, as far as the winter works program is concerned, during the fiscal years 1973-74 and 1974-75. I would agree with that, but I cannot read the text otherwise than it is, and it is quite clear to me that there is a limitation to spending that amount this year.

Of course, if a special act had been enacted covering these winter capital projects and providing that the act would be in force during a period of three years and the sum of $350 million were provided in a separate act, we could legislate for future years, and we always do. But my problem is that in this case clause 3 would not allow you to spend anything out of this $350 million after

March 31, 1973, the way it is worded. I think it may have been a mistake on the part of the people who drafted the bill, but it is quite obvious to me that somebody could question the legality of any spending made after March 31. This is my point.

Hon. Mr. Drury: Mr. Chairman, I cannot say, as in some other instances, that we have sought the advice of the law officers of the Crown on this particular point and have received a specific ruling on it. I can say that, as is customary with these bills, the appropriate law officers of the Crown have vetted it to ensure that it is legal. Perhaps I am not the one who should be trying to explain legal points. In amplification of the principle that in legislation particular provisions override general ones, or at least qualified general ones, I would ask you to look at clause 3(1) which states:

> The amount authorized by this Act to be paid or applied in respect of an item may be paid or applied only for the purposes and subject to any terms and conditions specified in the item, and the payment or application of any amount pursuant to the item has such operation and effect as may be stated or described therein.

This is, I am told, a standard clause in appropriation bills, which means that the general provisions of clause 2 about the period April 1, 1972 to March 31, 1973 can be conditioned by the specific items which can provide for authorization of payment in subsequent years.

Senator Flynn: With all due respect, Mr. Chairman, I should like to point out to the minister that this standard form has only one purpose, which is to say that the amount voted, for instance, for the Winter Capital Projects Fund, may not be used for purposes other than those which are mentioned. That is the purpose of this clause, and certainly not, as you say, to amend the provisions of section 2. We want to be sure that these funds will be used for the purpose for which they are appropriated in the act. That is the purpose of this clause.

With all due respect, I would be interested in having an opinion, if it is feasible and if it is too complicated, from Justice on this point. We have mentioned some cases, and I quoted one yesterday in connection with the 1958-59 estimates. The vote was to authorize payments to be made in respect of each of the fiscal years in the period commencing April 1, 1957 and ending March 31, 1962, a period of five years. There was a commitment by the government to do a certain thing during a period of five years. But what did we do when we decided on the amount that we were authorized to spend? We said "The estimated total amount required for the fiscal year 1958-59 being $478,000"; which meant that in the subsequent fiscal years, in the main appropriation or the supplementary estimates, they provided the amount needed each year to meet the commitment made for the five years.

Senator Prowse: Out of the one year?

Senator Flynn: Yes; the amount here is for one year. But we said in the beginning that it was to make payments during a period of five years, "but this year we appropriate $478,000".

My suggestion is that the way it is now, we may be appropriating $350 million, but you will have to do something about the payments to be made for the following fiscal years, either by a general appropriation act or by another bill. That is my suggestion—unless I have a definite opinion from Justice that section 2 does not mean what it says.

Hon. Mr. Drury: Clause 2 is qualified by clause 3(1) and 3(2). Clause 3(2) reads:

> The provisions of each item in the Schedule shall be deemed to have been enacted by Parliament on the 1st day of April, 1972.

Senator Flynn: Yes. Its only purpose is to say that it is the same as if it had been appropriated for the beginning of the fiscal year. It is another standard form, the purpose of which is not to modify the general terms of an act. You cannot modify the general terms of an act by a schedule which is merely descriptive. This is my contention.

Hon. Mr. Drury: I hesitate to comment on that. Probably the best answer, Mr. Chairman, would be to try to get hold of Mr. Thorson.

Senator Flynn: That is what I mentioned to Senator Langlois yesterday. If it is not too complicated; otherwise we could have an opinion later. If I am right, it would certainly be helpful to the government to know that it would not be able to carry on after March 31 without further appropriation.

The Acting Chairman: Senator Forsey?

Senator Forsey: I was going to ask if the government feels that it would not be necessary to come back for any further amount under this item in subsequent appropriation acts. It is essentially the same point as Senator Flynn's, but perhaps putting it in a more precise context. Are we to be told that we are not going to be asked to vote these subsequent amounts for subsequent years? Is this going to cover everything?

Hon. Mr. Drury: That, Mr. Chairman, is correct.

Senator Prowse: The money is set aside now?

Hon. Mr. Drury: The money is set aside now, and in the estimates of subsequent years there are two elements to the total cash expenditures forecast. One is the amount to be voted. Accompanying the amount to be voted, however, is information on the amount forecast to be spent under statutory authority. For instance, under the Fitness and Amateur Sport program, it is a statutory expenditure, but every year there is mention made of forecast expenditures under that heading. It is not voted, but it is contained in the estimates for informational purposes. The same will be true of this. The amount to be voted would be zero, which it already has been, but there will

be a forecast of expenditures made in the current fiscal year and to be made in the fiscal year covered by the estimates.

Senator Flynn: Yes. If your interpretation of the effect of clause 3 is correct, that would be the case.

Hon. Mr. Drury: That is how it works.

Senator Flynn: But I say this: If you had presented a bill describing the winter works program as it is there with a clause covering the amount that can be expended in that connection, without referring to any particular fiscal year, since the period would have been described prior to this, of course you would not need an appropriation.

Hon. Mr. Drury: This need cause no serious problem. If Parliament votes $350 million now and subsequently it is discovered that this does not authorize expenditures for subsequent fiscal years, then we can come along and tidy up the act in a subsequent appropriation act. That would be rather less difficult than the other way around.

Senator Flynn: Yes.

Hon. Mr. Drury: But under this *modus operandi* at least there will be no hold-up through passage of this, even if Senator Flynn's interpretation is correct.

Senator Flynn: My intention is not to hold up the bill. My feeling is that the bill was incorrectly drafted, and I feel it is our duty to bring this to the attention of those concerned.

Senator Langlois: Reference has been made to clause 2 of the bill. I merely wish to point out that clause 2 must be read in conjunction with clause 4, which refers to clause 2 when dealing with commitments. I think this throws some light on the subject.

Senator Flynn: I have read it too.

Senator Grosart: It does.

Senator Flynn: There is no doubt that this contains authority for the government to commit itself for a period of three years. However, this is not authority to spend during the same period without appropriation. This was also the case in 1958, which I mentioned.

Senator Langlois: I suggest that clause 4 goes much further than that.

Senator Flynn: No. It says "commit", but paying is something else. For example, when the government builds a bridge it enters into a contract with construction to take place over four years. In that instance, the government appropriates in the estimates the amount forecast to be expended for each fiscal year. The commitment to the contractor covers a period longer than the item referred to in the estimates.

Senator Prowse: Is not this the situation, Mr. Chairman: The government enters into a contract, to take the example cited by Senator Flynn, and then receives year by year authority to pay the amount in accordance with the terms of the contract, and to the extent that Parliament is bound by the contract it then takes away from future Parliaments their complete control over the expenditure.

Senator Flynn: The complete control, yes.

Senator Prowse: What we are doing in this instance, surely, is something more acceptable than that. What the government purports to do in this case is to say that over a three-year period it will pay $350 million; therefore in the fiscal year we will set aside that $350 million, in which case, as the Prime Minister said, all you do is report that the expenditures go on. You do not have to get authority again for that expenditure. Am I correct?

Hon. Mr. Drury: That is correct.

Senator Flynn: If your interpretation is correct—I am not against the project...

Senator Prowse: This seems to be a better way of doing it than has been the case.

Senator Flynn: I am not against the project. I merely say that the Act says that this amount is authorized for the fiscal year ending the 31st March, 1973. There may be a defect in the law.

Hon. Mr. Drury: As I understand it, Senator Flynn commends the purpose.

Senator Flynn: I am not against it.

Hon. Mr. Drury: He is all in favour of it, but he says we are doing it the wrong way.

Senator Prowse: Senator Flynn says, "Fine, we are going to approve the fact that we are going to spend $350 million." What you are doing and what this act purports to do is to say, "We are not going to commit future Parliaments to have to vote this $350 million". This Parliament now sets aside the $350 million which, presumably, sits, in effect, in a trust account to be paid out as it is earned. Am I correct in that understanding?

Hon. Mr. Drury: That is correct, and Senator Flynn approves of that.

Senator Grosart: In a "trust account"? Please!

Senator Prowse: In effect, a trust account.

Hon. Mr. Drury: Senator Flynn approves that, but he says that the way we put the words down does not accomplish that purpose.

Senator Flynn: That is right.

Hon. Mr. Drury: I am not qualified to disagree with that, if the law officers of the Crown support us, well and good; if not, then we will have to correct the mistake, if any, next year.

The Acting Chairman: Senator Grosart.

Senator Grosart: Mr. Chairman, I was going to suggest that clause 4(2) would appear to support Senator Flynn's

argument rather than the contrary. If you read it carefully it seems almost certain that this has been put in to take care of this type of situation where the $350 million could be in the estimates. Then, as Senator Flynn suggests, for this year you would appropriate $75 million, and this clause then gives the government the authority to commit the balance because it is indicated in the item.

Clause 4(2) states:

> Where an item in the Estimates referred to in section 2—

And section 2 is the "numbers" clause.

> —or a provision of any Act purports to confer authority to spend revenues, commitments may be entered into in accordance with the terms of such item or provision up to an amount—

And it goes on to give the amounts. This would seem to be exactly our case.

Mr. MacDonald: Mr. Chairman, perhaps I could explain the importance of clause 4. It really only refers to the question of commitments. Some difficulty arose because the Financial Administration Act restricts the commitment that may be made to the amounts that have been appropriated or are in estimates. Clause 4(1) of the Appropriation Act allows that where an actual vote title itself provides authority to commit an amount which is greater than the amount of the appropriation, that authority shall have effect.

Senator Grosart: That is exactly what I am saying. If you had $350 million in vote L12a and an appropriation of $75 million for 1972-73, clause 4(2)(a) would provide the ability to commit the balance without appropriating it.

Mr. MacDonald: That would be true, senator, except that there is nothing in the vote title for L12a which talks specifically about the authority to enter into commitments.

Senator Grosart: But clause 4(2)(a) does exactly that. It says that if you were to have Vote L12a in the amount of $350 million and then appropriated $75 million, you would rely on clause 4(2) to give the government the authority to commit, which makes sense.

Senator Bourget: Where do you get the $75 million?

Senator Grosart: This is the amount that the minister in another place and here confirmed is the amount that is expected will be expended over this fiscal year, assuming it gets into the winter works program this year. The Honourable Mr. Basford said Spring was already here in his constituency. That, as I understand it, is what the $75 million is.

[*Translation*]

Senator Côté: I would ask the President of the Treasury Board if, during the debates in the other place, this question was raised, and, maybe it would have been explained at that time, because as we know this Bill was examined during several days in the House as well as in Committee. Undoubtedly, experts in procedure, that form part of the Opposition in the other place, would certainly have raised this question if there had been something that they had not understood. Was this question raised during those debates?

Senator Langlois: No.

The Honourable Mr. Drury: This question was raised in a general way but not in the particular way that Senator Flynn has raised it.

Senator Flynn: We go to the bottom of things. [*Text*]

Senator Grosart: This is the sober second thought stage.

Senator Flynn: Maybe we could leave this for the time being and see whether we can get an opinion of counsel, if not from Justice. If we cannot do that now, we can have it later on, for our own information.

I have another question concerning the Unemployment Insurance Commission and advances to the fund. Now that the ceiling has been removed, will you have to put in the estimates an amount for the advances you are going to make to the fund, or does this removal of the ceiling allow the Minister of Finance to make advances as he wishes, without appropriation of the amounts required for these advances?

Hon. Mr. Drury: Not without appropriation. Under the law, the commission is a semi-independent body and the Minister of Finance is required to advance to them the amounts of money the commission certify as being needed to carry out the law. The Minister of Finance has no discretion. He had a ceiling that could not be exceeded in the past, but the quantum and rate or timing leave the Minister of Finance, the government, no discretion; they have to supply on demand of the commission; and, as now contemplated, without a ceiling these demands will be satisfied.

The amount advanced, then, during the course of a calendar year—because they operate on a calendar year basis—will be covered by an appropriation in the subsequent fiscal year. This is really an appropriation of moneys already spent, but it serves to convert the advances made by the Minister of Finance into an appropriation, and from that point it ceases being an accountable advance. That is one of the reasons why we have in the main estimates recently tabled a large item, which is a non-cash item, which is merely a regularization of the advances made in the year 1972 to the Unemployment Insurance Commission. There is a subsequent appropriation, but it confers no authority to spend; it does not transfer any cash; it merely converts what has hitherto been an advance into an appropriation or a grant.

Senator Prowse: It provides for a report, but not control over the expenditure.

Hon. Mr. Drury: That is correct.

Senator Flynn: The $450 million mentioned in the bill was money advanced through warrants issued in October and December. If my understanding is correct, these amounts were exhausted at about the time we passed the bill removing the ceiling. This suggests that since then the Minister of Finance has been making other advances to the fund, the ceiling being removed, but there is no appropriation in these supplementary estimates. Will we have some supplementary estimates before the end of the year to cover these further advances to the fund?

Hon. Mr. Drury: No. The only appropriation, because the commission operates on a calendar rather than on a fiscal year basis, will be an appropriation—in this case, if I remember correctly, $890 million—in the main estimates to cover the advances made to the end of the calendar year 1972.

Senator Flynn: Those advances made since the passage of the bill removing the ceiling will be included in the estimates of 1973-74?

Hon. Mr. Drury: No, 1974-75. The advances being made in the calendar year 1973, and being made now by the Minister of Finance, will be reported, or an appropriation made to cover them in next year's estimates, 1974-75.

Senator Flynn: In other words, when the bill passed in this way—it may not be wrong, but it is a mere question of fact—Parliament would only have to ratify *ex post facto* the advances made by the minister. It is true that it may be that there is no other way to settle the problem. However, I think the fact remains the same, that Parliament will have only to check the advances the minister has made for the previous fiscal year and appropriate the money that has already been spent or advanced.

Hon. Mr. Drury: That is correct. Under the act we empower the commission to make payments, to pay benefits according to certain criteria. If one wants to change the rate of payments the criteria have to be changed, the statute has to be changed, and this is the control Parliament has, the laying down of criteria.

Senator Prowse: Unless that is done by order in council.

Senator Langlois: Since we are dealing here merely with an authority to draw from the Consolidated Revenue Fund, could we not take this money, if this authority is exhausted, out of advances? We do not need a special item for this in the budget. It is merely an advance being made to the Unemployment Insurance Commission. In other words, it is a drawing authority. We have been using the word "fund". That word was used in the other place continually, but it is a misnomer.

Senator Grosart: It is an account, yes.

Senator Langlois: It is a drawing authority.

Hon. Mr. Drury: It is a drawing authority, that is correct.

Senator Langlois: These drawings are made under a statute, the Unemployment Insurance Act. It is not a blank cheque. I listened to what was said in the other place, where the word "fund" was used. They also referred to a "blank authority." There is no blank authority. There is a statute; these payments are made under a statute.

Hon. Mr. Drury: That is correct.

Senator Langlois: It is not a blank cheque.

Senator Flynn: I agree that is the effect of the bill.

Senator Grosart: But they do not appear under the "statutory" category in the estimates. Secondly, it is normal to provide for advances in advance in the estimates. Is that not so?

Senator Flynn: Generally speaking, yes.

Senator Grosart: Advances are normally provided for in advance.

Hon. Mr. Drury: Mr. MacDonald points out that under a number of semi-independent operations CMHC make loans of several hundreds of millions of dollars, and the funding of these is through a system of advances.

Senator Grosart: Yes, but those advances are normally provided for in the main estimates, in advance, very often. This is so in the case of the advances to CMHC.

Mr. MacDonald: If I may say so, over and above the amounts in the estimates.

Senator Grosart: Yes, but it sometimes happens—

Mr. MacDonald: The main advances to the CMHC do not appear there. A very small part appears in the estimates.

Senator Flynn: Unless I am very much mistaken, the act governing this corporation provides that it can lend up to a certain amount.

Senator Grosart: Yes.

Mr. MacDonald: Yes.

Senator Flynn: So the authority is there for the minister to provide funds up to this amount to CMHC.

Mr. MacDonald: I believe, senator, there is authority which restricts the amount of money that the corporation may lend, and at any particular time the corporation is lending its own money as well as additional money that is provided by way of advances from the Crown; so my fundamental point is that they do not appear in the estimates.

Senator Flynn: Some of these can—

Senator Grosart: I was just starting on that, if I may. Can I suggest to you, Mr. Minister, that in the granting of supply, it distorts the estimates and distorts the whole financial picture of government spending and spending intentions. For example, if I understand it correctly, the demand on the public purse, to make up the deficit

between the private sector input into the account and the cost of the benefits, that is to say, the deficit, looks to be about $1,344 million. $454 million appears now in these supplementaries and therefore they will appear in the accounts for the current fiscal year. The $890 million, which applies to exactly the same period, the demand on the government for $890 million to balance the account, will appear in next year's estimate. I suggest that does not make any sense.

There is a particular reason, because the $454 million was under warrant. But why is it not possible to treat this in the same way, under the basic principle of supply, which is that when an act of Parliament is passed, we say, "Here is the act. Here are the terms. Here is what we estimate it will cost."? Why cannot that be done in this case? I know it is difficult; I know there are complexities; but there are complexities in the whole problem of forecasting. The essence of the thing is that you say to a department, "What acts do you have to administer? What other expenditures do you see? What non-statutory expenditures do you see? Then forecast the total expenditure for the year." This is the only way we can keep control of spending. Why cannot this be done here? Why could a change not be made whereby the Unemployment Insurance Commission, in the estimates of Manpower and Immigration, would say next year, "Here is the act. We know what the act is. Here is what we think it will cost."? Let them do the same as anybody else. Why not?

Hon. Mr. Drury: Probably one reason why this is not done is the extreme difficulty in recent years of forecasting what the costs are likely to be. Part of this arises as the consequence of a new act. Part of this difficulty arises because of changes in the "mix" of beneficiaries.

Senator Grosart: Yes, yes.

Hon. Mr. Drury: Part of this arises in relation to the number of people who are unemployed. Again, part arises as a consequence of the changes in the participation rate. All of these tend to cycle in ways which are extremely difficult to forecast; and about all you can be very sure of in such a forecast is that it will be wrong.

Senator Grosart: You might say the same thing, Mr. Minister, I suggest, of that $350 million in vote L12a. Here it has not quite the same complexities, but you do have the basic complexity, which is the difficulty of forecasting the level of unemployment. This will certainly affect the $350 million, but the department here has said, "We think we are going to need $350 million"—under conditions which are certainly not forecastable in the normal way. Who knows three years from now what each province will spend and what will be expected to be forgiven. It is hard to forecast; but in the one case you follow the basic principle, to this extent at least, saying, "This is the forecast for this legislation"—which is what it is, legislation by appropriation act.

Hon. Mr. Drury: Except in this case here we are dealing with fewer decision-makers than in the case of unemployment insurance.

Senator Grosart: It is less complex, I know. Every department can argue it is very complex.

Hon. Mr. Drury: There is a specific amount of money which we are reasonably certain will be taken up in its entirety. The allocation by provinces has been made in the item, and the only question really at issue is whether there is going to be a third, a third, a third, spent, or a third, a sixth and some other fraction. This is a continuing program, and by the time we have to put a forecast for next year in the estimates, things will be fairly certain.

Senator Grosart: Which are you referring to now?

Hon. Mr. Drury: Next year.

Senator Grosart: The $350 million?

Hon. Mr. Drury: The $350 million.

Senator Grosart: Could that not exactly apply to this situation here? Could you not say, "We have now had a year's experience with the act, as amended."? There may be some other amendments.

Senator Prowse: The unemployment insurance.

Senator Grosart: Could you not say, "We have had some experience"? I am only suggesting that we get this into line with the broad principles of the grant of supply. We have had a year now and I understand all the problems. There have to be problems when the forecast is $800 million, which was the forecast. It is going to cost $800 million, as you will recall—

Hon. Mr. Drury: When you say "forecast"—

Senator Grosart: Yes.

Hon. Mr. Drury: No. The $890 million is the entry into the estimate book of—

Senator Grosart: —a debt of the government.

Hon. Mr. Drury: An accounting.

Senator Grosart: I am not talking of the $890 million, but I am talking of the $800 million. The fact that a ceiling of $800 million was placed—and we recall the conditions, when that act was before Parliament and before the committee in the other place. The officials came, and naturally the parliamentarians asked why $800 million was the figure. and the officials said, "We have taken the worst possible case of unemployment we can think of, and we have thrown in another $100 million." They said $800 million, so that was a forecast. It was a bad forecast, but there were reasons why it was so. I know all about it. all about the white paper, and the change.

Hon. Mr. Drury: I was going to say that this demonstrates the inadvisability.

Senator Grosart: No, it does not.

Hon. Mr. Drury: All that attempt at forecasting in this field did was to lead to confusion and error.

Senator Grosart: It led to something else, Mr. Minister.

Hon. Mr. Drury: I suggest that an illusory forecast is much worse than no forecast at all.

Senator Grosart: Oh, I would agree.

Hon. Mr. Drury: The $800 million turned out to be one of those, so we are perhaps a little hesitant.

Senator Grosart: But you were saying what it led to, Mr. Minister, and you did not add that it led to Parliament being required to appropriate the money within 15 days after it sat. That was a very useful thing there.

Again, I am just suggesting—as I did to Mr. Andras when he was here, and I thought he seemed somewhat receptive—that maybe you can get this into line.

Hon. Mr. Drury: If one could feel that a forecast was a reasonable one, I would certainly share your view that we should attempt to do it. Our experience to date has been that this is most unsatisfactory and only serves to provide a foundation of error, if you are planning on using the forecast for fiscal planning.

The government has tried and has had some success in forecasting new jobs created, but has been most unsuccessful in computing the demand for new jobs.

Senator Molgat: Unfortunately, Mr. Thorson is out of town, Mr. Chairman, but Mr. Ryan, the Director of the Legislation Section, Department of Justice, although not directly involved in this bill, will be coming over.

Senator Flynn: That is all right. In any event, as we said before, even if we cannot get someone from Justice, that is no reason for—

Hon. Mr. Drury: —not proceeding with the bill.

Senator Flynn: —for not proceeding with the bill. Yes, I agree with you. It will be a problem for the government to resolve eventually.

Just as a footnote to this proposal, I was looking at the "Summary of Estimates for 1972-73", as it is described in this supplementary estimates book. We see that the total estimates are $17,829,870,571. I suggest to you that this is not right because, in fact, the estimates for 1972-73 should be $275 million less, as far as these winter works programs are concerned. The estimates for 1972-73 in fact should be that amount less, because we are not going to spend the $275 million that is applicable for the coming two years. Therefore, this is deceiving, I would say, and does not show a true picture. I do not know if this is the only case in the estimates, but I suggest to you that the government should not have any interest in showing a bigger figure of estimates for a given year than is the fact, unless it sounds better to announce a program of $350 million.

Hon. Mr. Drury: No, Mr. Chairman. This observation is quite correct. Indeed, the total figure for our estimates is a mixture of appropriation authority and cash expenditure.

With respect to next year's estimates, if one looks at those, as I think most people do, in terms of cash outflow, next year we are going to have a figure in there of $890 million—almost half of the increase next year over this year—which does not represent cash flow at all. It is merely the regularizing of this unemployment insurance account. So I agree with you. This is not pure cash; it is not pure commitment authority; I suppose it, in a sense, just reflects in general orders of magnitude a trend either up or down. But as a precise figure of cash flow, no; as a precise figure of total commitment authority, no; because we get commitment authority in other statutes as well as in this Appropriation Act. So, unfortunately, it is not precise in gross terms, and to find out what the situation is in respect of any specific item you have to turn to the particular appropriation.

Senator Flynn: By the same token, if I am wrong in my interpretation of this act, then next year the estimates will not show the amount applicable to this winter works program and will be wrong to that extent.

Hon. Mr. Drury: No, they should not be, in the sense that in respect to this $350 million program there will be added into the total the amount to be spent, but not voted. Here you have two columns; one is "to be voted" and the other is "Statutory".

Senator Prowse: And they have to be looked at separately.

Hon. Mr. Drury: Yes, they have to be looked at separately, and the expenditures under the $350 million program would come under the second of those two columns, the "Statutory," the forgiveness portion.

Senator Grosart: That, Mr. Minister, is distorted, because you make the distinction between budgetary and non-budgetary, and very often your non-budgetary is statutory. I would suggest to you that there will be a further distortion, a very large distortion, in that. Thinking of your term "pure," the estimates before us for next year do not contain a pure statement of the obligations that the government will incur; because it may very well incur another billion dollars in obligations, assuming the pattern of last year in the unemployment insurance fund goes on. So what you will actually have is $890 million, which was an obligation incurred in the 1972 calendar year, a debt incurred—because it is a debt of the government to the account—and this will show as $890 million in the 1973-74 estimates and there will be some other figure which will be the actual figure of the obligation incurred under the statute in the fiscal year 1973-74. So you have the whole thing completely distorted.

Again, I suggest to you that you can at least restore some sense of reality by doing it the other way. These accounts are really meant to show, surely, the effect of statutory obligations and obligations that the government believes will arise on a non-statutory basis. This is really meant to reflect the obligations.

I agree with you that there is a mixture of cash flow, obligations, advances and commitments. It is a mixture. But the Minister of Finance has put out a publication called "How Your Tax Dollar is Spent" which seems to give the impression that it is much simpler than you really think it is. It is something like the income tax form in that respect: it is simpler than you really think it is.

Hon. Mr. Drury: As an attempt to simplify the requirements of the law, which are, as we discovered this morning, at least debatable, I think probably it is to be commended.

Senator Grosart: I agree. I am all for it. I have complimented the officials on it before.

Hon. Mr. Drury: We have been trying to make these estimates progressively more and more informative. But we are now getting to the point where the book is so thick and has so much in it that it almost appalls people. We have suffered from the same problem with the public accounts which, over the years, have grown and grown and have come to contain more and more information, and now we have reached the stage where it is almost incomprehensible. We tend to be moving this way because both in the public accounts and in the estimates book one has to be precise. The tax dollar book is written in layman's language and it is not enforceable in the courts; but these are.

Senator Grosart: I am not criticizing the book.

Hon. Mr. Drury: I am saying, simply, that it is easier to simplify if you are not going to be held to the precise wording; but in the case of the estimates we are. I think, really, the issue here is as to whether it is better to put down a number by way of a forecast which may turn out to have no validity at all, or not to put it in there at all.

Senator Grosart: But you will agree that it is an important thing for Parliament to know about the estimated financial effect of an act that it is asked to pass. Surely, it is very important to be told how much the government, at the moment it introduces this bill, thinks it is going to cost? That is really the principle behind the estimates.

Hon. Mr. Drury: Well, I suppose what we are really saying is that we do not know.

Senator Grosart: Which is a hell of a way to run a railway!

Hon. Mr. Drury: It is not the most desirable way.

Senator Flynn: By the way, Mr. Minister, I checked the 1973-74 estimates for the Winter Capital Works Fund and I did not find any amount included there, either statutory or budgetary.

Hon. Mr. Drury: No, Mr. Chairman. The reason for that is that this program, just as with the changes in the Old Age Pension Act, is not reflected in the main estimates. This was locked up and went to print before the program was initiated. It will have to come in supplementary estimates.

Senator Flynn: Probably you will find a solution to the problem there, even if it means you only have to change the column.

Senator Prowse: I see that we now have Mr. Ryan here.

The Acting Chairman: Yes, an official from the Department of Justice has arrived.

Senator Flynn: I do not know if the question has already been indicated to this witness. What I am suggesting to you, Mr. Ryan, is that this bill is entitled "An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973." This is repeated in the preamble. Then in the marginal note, clause 2 we see $1,290,790,402 granted for 1972-73. Then the wording of clause 2 says that this sum may be spent from the 1st day of April, 1972 to the 31st day of March, 1973. My suggestion is therefore that the $350 million provided at page 6, and which is included in the $1,290 million if not entirely spent before March 31, 1973, may not be spent afterwards unless we have supplementary estimates or new legislation and an appropriation of a kind.

Mr. J. W. Ryan, Director, Legislation Section, Department of Justice: Mr. Chairman, I do not know exactly how I should reply to that. I presume the question is as to whether this is proper or not.

The Acting Chairman: I think the question is: Does the wording of the act correspond to the intent of the act? Are you committing yourself to something over a three-year period, but limiting yourself to what can be spent in one year? In other words, are you limiting the expenditures to 1973?

Senator Forsey: Putting it another way: Does the statutory authority for this come from clause 2, or is the schedule by itself sufficient statutory authority?

Mr. Ryan: The first question is a little easier to answer. The items set out in these bills are set out as part of the statute and, in that sense, they are legislative and statutory provisions. They are more particular than the generality of the introductory words of the bill. They are later in time than the provision of clause 20 of the Financial Administration Act, for instance, and we have always considered that they stood on their own feet as the latest particular statutory provisions and therefore provided for exactly what they said—certain sums for that fiscal year, and for subsequent fiscal years where subsequent fiscal years are provided for. As you may be aware, a great many provisions of appropriation acts do that in one form or another. They do it by dates, as in this case, or by saying, "for the fiscal year and subsequent fiscal years."

Now, in addition to doing this for amounts, they also do it for statutory provisions under dollar items—and whether that is good or bad is not at issue here. You do have statutory amendments to general statutes coming out of these appropriation items. We have always viewed them on the principle that it was the latest particular instruction of the statute to the government.

Senator Prowse: In other words, it takes precedence over the general provisions of the bill?

Mr. Ryan: Because it is more particular, yes.

Senator Flynn: I agree, but the problem is not whether this bill as a whole would supersede previous legislation, or be an amendment to any piece of legislation or the Financial Administration Act, as the minister has said; but whether there can be a contradiction in the same bill where you have in clause 2 a provision which says that this amount is appropriated for the present fiscal year, and that is all. I suggest to you that you could certainly have said that these items could be spent after March 31, 1973, inasmuch as they are amounts provided for the Capital Winter Works program; but you did not say that. You said only that this total amount was to be applied for the public service from the 1st day of April 1972 to the 31st day of March 1973; and that is all. There is a clear contradiction if the $350 million was intended—and it does not show that—to be spent only over a period. Now, I know it is only over a period, but suppose you had had in mind to spend $350 million in the period until the end of March, then you would have proceeded in the same way.

Senator Grosart: You would have no problem.

Senator Flynn: This may not be fair to the witness. I am a lawyer myself and I would not like to give an opinion right off the bat regarding a problem like this; I think I would ask for time to consider it. We would be satisfied to receive that reply addressed to the chairman of the committee.

Senator Langlois: Mr. Chairman, I suggest that the answer to Senator Flynn's question is contained in the wording of the preamble, where you have a provision for a fiscal amount over the total amount provided for one year. You have these words: "not otherwise provided for". We are otherwise providing for this in the schedule of the act, and this is to remove the apparent contradiction between the schedule and the preamble.

Mr. Ryan: Mr. Chairman, I suppose honourable senators have considered clause 3 of this bill.

Senator Grosart: Yes, clause 3—and clause 4.

Senator Flynn: The idea of clause 3, as the witness knows very well, is that if you do not spend a certain sum of money for the purposes mentioned in the estimates you cannot use it for other purposes unless you come back with supplementary estimates. In this case you might have a $1 item, for instance. That is the difference.

Mr. Ryan: It also contains the words: "has such operation and effect as may be stated or described therein." So we are providing for more than one year. Now, I suggest that if the total of the program is exceeded in the fiscal year, then it is brought back for further amounts to carry out the program in subsequent years; but if the amount is sufficient within that timespan, that is the end of it in the appropriation.

Senator Flynn: Yes, if it is sufficient; but the excess would have to be provided for in the subsequent fiscal years' estimates.

Mr. Ryan: It has to be shown there, but not necessarily provided for. The amount of money has been set aside and earmarked for that purpose.

Senator Flynn: If the witness says he has nothing else to say and he does not want to give us a written opinion, I will leave it at that.

Mr. Ryan: I can provide the chairman of the committee with a written opinion. What time today do you want it?

Senator Flynn: Not today; there is no urgency.

Mr. Ryan: Then I will give that undertaking.

Senator Flynn: That is why I said I would like you to consider this. It may be remedied by including it in the supplementary estimates for the next year. There is no problem, but I suggest the act may have been poorly drafted. If it was your intention that most of the $350 million which was to be spent during the next two fiscal years could be spent in these two years and not be limited by the March 31, 1973 date—

Mr. Ryan: Without conceding that, you have to realize that we are frequently the slaves of precedence, and if a form has been used for 20 or 30 years we use the same form. But I will undertake to give you a written opinion on the matter.

Senator Flynn: To prove there are some precedents and that you should proceed as I suggest, I will give you a few examples, and especially one that was in the estimates of 1958-59 concerning northern administration and lands branch. This may be helpful to you. It may be purely accidental, mind you. I do this only because it was quoted by the Minister of Finance in the other place, and I looked it up.

Senator Langlois: Do you mean that the advent of this problem was also accidental?

Senator Flynn: No, the accident occurred to your party, I guess.

Senator Grosart: Mr. Chairman, I wish to ask the minister a question regarding the breakdown in the estimates between statutory and non-statutory requirements. It has been said over and over again that Appropriation Acts have the effect of statutes.

Hon. Mr. Drury: They are statutes.

Senator Grosart: Yes, I should say they have legislative as well as appropriative effect in many cases.

Hon. Mr. Drury: Mr. Chairman, an appropriation is legislation, I suggest.

Senator Grosart: No, let me put it this way. When I say "legislative" I use it in the sense of setting up a program.

The Acting Chairman: You mean, other than an appropriation?

Senator Grosart: Other than the money aspect. The reason I say that is that this committee receives a breakdown of $1 items described by the officials as having legislative effect. They amend legislation. They create

new situations. For example, we have two winter works programs, one for $60 million in respect of federal employment, and the other for $350 million. These are programs that go beyond the normal request for appropriations which are really the essence of the estimates.

My question is this: When you describe certain estimates as "statutory," do you take into account these amounts that are required because of appropriation acts as well as other kinds of statutes?

Hon. Mr. Drury: Yes, both these factors are in there because, as I said, an appropriation act is itself a statute.

Senator Grosart: That is right.

Hon. Mr. Drury: So the distinction in the estimate presentation is not between statutory and non-statutory but is between those that have sums of money to be voted by that act and those for which the authorization for payment is contained in some statute. Now, it may be a specific statute, for example the Fitness and Amateur Sport Act, equalization payments, fiscal arrangements or an earlier appropriation act—whatever it may be; but in any event, some previous statute, other than this particular appropriation act. "To be voted" means that the authority to spend the money comes out of the appropriation act in question. "Statutory" means some previous enactment, whether it be an appropriation act or another specific statute.

Senator Grosart: I am suggesting that the nomenclature is very obscure, because both are statutory. Actually the "to be voted" is statutory under this act, if the act is passed.

Senator Flynn: It becomes statutory.

Senator Grosart: Yes; they are both in effect, statutory. I suggest to you, Mr. Minister, that one of the reasons for so much time being taken up now and increasingly over supplementary estimates and appropriation acts is that parliamentarians are concerned about this method of introducing new programs. It might be argued, as it has been in this committee, that if these programs were placed before Parliament as a non-appropriation act it would involve more time in their passage through the house. Personally, I do not see anything wrong with that, because that is what Parliament is for. But I am suggesting to you that if you wish to get your supplementaries and appropriation acts through quickly, it would be very wise, where you can, to delete these large program items. That is a gratuitous suggestion.

Senator Desruisseaux: Why do you think they are included?

Senator Flynn: It is a device in an omnibus bill.

Senator Grosart: It is a device, and one of its effects, in my opinion, is to lessen parliamentary control of supply. However, that is neither here nor there at the moment.

I wonder if I could suggest to Mr. Ryan that, in giving this opinion, Mr. Chairman, he relate it to similar devices, particularly in the appropriation act such as the $1 items and the "notwithstanding" items, because this relates very much to this and specifically to the effect of this item, L12a in respect to section 20 of the Financial Administration Act. In your opinion does it amend or, for these purposes, repeal that section of the Financial Administration Act, which provides:

> All estimates of expenditures submitted to Parliament shall be for the services coming in course of payment during the fiscal year.

It has been suggested that there is a conflict here, and if its effect is to amend or repeal that section, we should be aware of it, because this is a very wide use of an appropriation act.

The Acting Chairman: Senator Grosart, are you asking him to include this?

Senator Grosart: I am addressing it to you, and asking that it be included. Another element in this is the question of non-lapsing appropriations. Would you relate all this in your opinion, because they are all in the same box, "notwithstanding" and the $1 items. That is what I refer to as legislation, and it is referred to as legislation by the Treasury Board. Will you put the whole package together, because it seems to me that there is no standard practice in the use of these devices. Here, for example, it would have made sense to say "notwithstanding section 20". This has been used in similar cases. It could even provide that "this amends it as far as this." It would have been much simpler had it provided "notwithstanding section 20 of the Financial Administration Act." That might have saved two days of argument in the other place.

The Acting Chairman: Gentlemen, are you ready to proceed with clause by clause consideration of the bill?

Senator Desruisseaux: I move that the bill be reported without amendment.

Senator Flynn: No amendment has been proposed.

The Acting Chairman: In order to make doubly sure I will ask: Shall the bill carry?

Hon. Senators: Carried.

The Acting Chairman: Shall the schedule carry?

Hon. Senators: Carried.

The Acting Chairman: And the preamble?

Hon. Senators: Carried.

The Acting Chairman: And the title?

Hon. Senators: Carried.

The Acting Chairman: Shall I report the bill without amendment?

Hon. Senators: Carried.

The committee adjourned.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS

OF THE

STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

Issue No. 3

THURSDAY, MARCH 22, 1973

Complete Proceedings on the Supplementary Estimates (B)
laid before Parliament for the fiscal year ending
March 31, 1973

REPORT OF THE COMMITTEE

and

APPENDIX

(Witnesses:—See Minutes of Proceedings)

25738—1

STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman;*

The Honourable A. Grosart, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.
Carter, C. W.
Choquette, Lionel
Côté, Jean-Pierre
Croll, David A.
Desruisseaux, P.
Everett, Douglas D.
*Flynn, Jacques
(*Ex officio*)
Giguère, Louis de G.
Grosart, Allister
Laird, Keith
Langlois, L.
Manning, Ernest C.
*Martin, Paul (*Ex officio*)
Nichol, John
Paterson, N. M.
Phillips, O. H.
Prowse, J. Harper
Rattenbury, N.
Rowe, F. W.
Sparrow, Herbert O.
Welch, Frank C.

(Quorum 5)

**Ex officio Member*

Order of Reference

Extract from the Minutes of Proceedings of the Senate of March 13, 1973:

"With leave of the Senate,

The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (B) laid before Parliament for the fiscal year ending the 31st March, 1973.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier

Clerk of the Senate

25738—1½

Minutes of Proceedings

Thursday, March 22, 1973.

Pursuant to adjournment and notice the Standing Senate Committee on National Finance met this day at 10.00 a.m. to consider the Supplementary Estimates (B) before Parliament for the fiscal year ending the 31st March, 1973.

Present: The Honourable Senators Everett (*Chairman*), Carter, Croll, Desruisseaux, Laird, Langlois, Manning and Phillips. (8)

Present but not of the Committee: The Honourable Senators Laing and Molgat.

In attendance: Mr. E. Russell Hopkins, Law Clerk and Parliamentary counsel.

WITNESSES:

From the Treasury Board:

Mr. A. Kroeger, Deputy Secretary (Program Branch);

Mr. Robert L. Richardson, Director, Industry and Natural Resources Division.

The senior officials of the Treasury Board undertook to furnish answers to several questions on the said Supplementary Estimates (B) at the earliest possible date.

It was *agreed* to print as an Appendix to the Report the explanation of one-dollar items contained in the said Supplementary Estimates.

It was also *agreed* that the drafting of the Report be left in the hands of the Chairman and presented to the Senate at the earliest opportunity.

At 12.20 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Gérard Lemire,

Clerk of the Committee.

Report of the Committee and Appendix

Thursday, 22nd March, 1973.

The Standing Senate Committee on National Finance, to which were referred Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1973, has in obedience to the order of reference of Tuesday, 13th March, 1973, examined the said Supplementary Estimates (B) and reports as follows:

Witnesses heard by the Committee were Mr. A. Kroeger, Deputy Secretary, Programs Branch, Treasury Board, and Mr. R. L. Richardson, Director, Industry and Natural Resources Division, Treasury Board. These Supplementary Estimates total $434,835,454 of which $109,794,020 are non-budgetary items, that is to say, loans, investments or advances. The total Estimates for the fiscal year ending March 31, 1973 are increased to $18,216,731,025. Of this amount $1,717 million were non-budgetary items, leaving budgetary expenditures of $16,500 million. This figure differs from the figure of $16,300,000,000 which the Minister of Finance used for actual budgetary expenditures in his recent budget speech. This difference of $200 million is accounted for by lapses between estimates and expenditures and is in accord with the rate of lapse in recent years of between 1½ to 2%.

The Committee examined various items contained in these Supplementary Estimates and received answers to their questions from the Treasury Board officials. In the case of six items, answers were not immediately available and the Treasury Board officials agreed to provide material as soon as possible. The questions for which answers are to be supplied are as follows:

1. Industry, Trade and Commerce—Vote L16b—

   What are the terms of the loan of $14,400,000 to Canadair Ltd. for the financing of water bomber aircraft?

2. Public Works—Vote L30b—

   To whom is the loan covering the construction of an oil refinery terminal wharf at Come-By-Chance, Newfoundland, made and who is responsible for its repayment?

3. Industry, Trade and Commerce—Vote 1B—

   Under Appropriation Act No. 1, 1968, insurance under the Adjustment Assistance Program could be provided "to manufacturers". In these Supplementary Estimates the assistance is provided to "a person engaged or about to engage in a manufacturing enterprise in Canada". What is the reason for the change in terminology?

4. What was the cost of NORAD for each of the fiscal years ending March 31, 1972 and March 31, 1973?

5. In the matter of dredging and the construction of wharves, what is the division of responsibility between the Department of Public Works, the Ministry of Transport and the Department of Environment?

6. National Health and Welfare—Vote L16b—

   In the Appropriation Act of 1966, this item was a budgetary appropriation and in these Supplementary Estimates is referred to as a loan. When and why was the change made?

The Committee examined the relationship of Polymer Corporation, the Canada Development Corporation and the Government and discussed with the Law Clerk and Parliamentary Counsel and the witnesses how the Canada Development Corporation is required to report its financial results. It appears that the Canada Development Corporation is not a Crown Corporation and therefore its financial reports are not required to be made to Parliament by either the Financial Administration Act or the Canada Development Corporation Act. As the government is presently the sole shareholder in the Canada Development Corporation, your Committee recommends that the Minister responsible table its financial statements annually.

The Committee examined several programs that involve Parliament giving authority to the Treasury Board to expend certain amounts on terms and conditions approved by the Treasury Board. For example, the loan to Canadair Ltd. for the financing of water bomber aircraft is made in accordance with terms and conditions approved by the Treasury Board. The committee wished to know what control Parliament maintains over the manner in which these expenditures are made by Treasury Board. The Committee was informed by the Law Clerk and Parliamentary Counsel and the witnesses that there is no provision under the Financial Administration Act for a report to be made to Parliament on the manner in which previously approved appropriations are spent where the Treasury Board is given control over the terms and conditions of the expenditure. Such matters may be examined by specific questions arising out of Committee hearings.

The witnesses filed an explanation of the $1 items contained in these Supplementary Estimates (B). This is a vote category discussed in previous committee reports and for which a description and explanation is now regularly provided by the Treasury Board to the Committee. This is appended hereto. The $1 items included in these Estimates have been grouped in the attached schedules according to purpose.

A. One Dollar items authorizing the deletion of debts due the Crown—four items.

B. One Dollar items for grants—five items.

C. One Dollar items authorizing transfers from one vote to another—eight items (includes one item for Veterans Affairs vote 20b which is also listed in Schedule B).

D. One Dollar items which authorize amendments to previous appropriation acts—thirteen items (includes one item for National Revenue—Customs and Excise Vote 1b which is also listed in Schedule A).

E. One Dollar items which amend existing legislation other than appropriation acts—two items.

Respectfully submitted,

D. D. Everett,

Chairman.

APPENDIX

EXPLANATION OF ONE DOLLAR ITEMS

IN

SUPPLEMENTARY ESTIMATES (B) 1972-73

SUMMARY

The one dollar items included in these Estimates have been grouped in the attached schedules according to purpose.

A. One Dollar items authorizing the deletion of debts due the Crown—four items.

B. One Dollar items for grants—five items.

C. One Dollar items authorizing transfers from one vote to another—eight items (includes one item for Veterans Affairs vote 20b which is also listed in Schedule B).

D. One Dollar items which authorize amendments to previous appropriation acts—thirteen items (includes one item for National Revenue—Customs and Excise Vote 1b which is also listed in Schedule A).

E. One Dollar items which amend existing legislation other than appropriation acts—two items.

SCHEDULE A

ONE DOLLAR ITEMS AUTHORIZING THE DELETION OF DEBTS DUE THE CROWN—FOUR ITEMS

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Vote 5b—Authority is requested to delete certain accounts amounting to an aggregate of $109,210.52.

Explanation—It is proposed to write-off some eight debts each of which is in excess of $5,000 which were incurred by the Department in its Indian and Eskimo Affairs Program. The Department is unable to recover these accounts. The write-off of these debts has been approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

NATIONAL REVENUE—CUSTOMS AND EXCISE

Vote 1b—(This item is also included under Schedule D)—Authority is requested to delete certain debts due and claims by Her Majesty amounting in the aggregate to $2,403,445.80.

Explanation—It is proposed to delete some 93 items each of which are in excess of $5,000. These items consist of tax, duty, penalty and related charges which cannot be collected because the debtors are either bankrupt, out of business, residing outside of Canada or further collection expense is not justified. These accounts have been examined and approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

VETERANS AFFAIRS

Vote 5b—Authority is requested to delete certain debts due amounting to $14,905.19.

Explanation—Authority is requested to write-off the accounts of two debtors who have died leaving no known estate. The write-off of these accounts has been approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

Vote 45b—Authority is requested to delete certain debts due and claims by Her Majesty amounting to $11,218.35.

Explanation—It is proposed to write-off the account of a debtor who has died leaving no known estate. The write-off of this account has been approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

SCHEDULE B

ONE DOLLAR ITEMS FOR GRANTS—FIVE ITEMS

CONSUMER AND CORPORATE AFFAIRS

Vote 5b—To authorize grants totalling $25,000.

Explanation—The following grants to Consumer Organizations were made in 1972-73 under authority contained in Main Estimates:

(1) Consumer Association of Canada $150,000; (2) L'Institut de Promotion des Intérêts du Consommateur (IPIC, $5,000; (3) University of Guelph $2,000; Total $157,000.

This SupplementAry Estimate requests authority to make an additional grant of $25,000 to Les Associations Coopératives d'Économie Familiale (ACEF).

Details of these grants follow.

$150,000—Consumer Association of Canada

The Consumers' Association of Canada is the only national consumer organization. Its programs supplement the role of the Department in providing consumer information and resolving consumer problems. The Association plays an important advocacy role to inform governments at all levels of consumer problems and to comment on government policy.

At the present time, the activities of the Consumers' Association of Canada are diffused over a number of areas, including consumer education, environmental issues and comparative testing. It has provincial chapters in all provinces except Newfoundland, New Brunswick, Prince Edward Island and Nova Scotia but local chapters in Moncton, Halifax and Charlottetown. Funds are allocated to these chapters on a fixed amount per type of member. Total membership across Canada is now 110,000.

The grant paid by Consumer and Corporate Affairs in 1970-71 was $50,000, in 1971-72 was $100,000 and in 1972-73 is $150,000.

$5,000—L'Institut du Promotion des Intérêts du Consummateur (IPIC)

L'Institut du Promotion des Intérêts du Consummateur (IPIC) is a Quebec based non-profit French language consumer organization established in 1969 through joint sponsorship of La Fédération des Magasins Co-op and L'Association Coopérative Féminine du Québec.

Its prime interest is to inform, educate, protect and counsel Quebec consumers in the food field through the establishment of information kiosks and experimental kitchens in COOPRIX and COOP stores, and the publication of the monthly magazine "Le Réveil du Consommateur". Consumer counselling services are available in some stores. Laboratory analysis of food products to detect misrepresentations and economic fraud is undertaken and the results made public.

The consumer cooperative movement in Quebec, which is represented by IPIC, is quite active and aggressive. The Publication "Le Réveil du Consommateur" is innovative, informative and interesting. Its underlying philosophy is aimed at providing the consumer with all the facts, and prodding both the private and public sectors of the economy into taking action on consumer problems.

No prior grants were given by Consumer and Corporate Affairs.

$2,000—University of Guelph

"The Consumer Interest" is a unique Canadian newsletter for professionals in government, business and education working in the field of consumer education and information. It reports on federal and provincial consumer protection activities and includes book reviews, lists of publications, resource kits and other information of interest to those involved in consumer education. Articles on pertinent topics such as consumer credit also appear in the publications. During the past year changes in content have been made to meet the needs of secondary school teachers. A recent survey of subscribers initiated by the Department indicated that the newsletter was performing an effective role.

The newsletter is available for an annual subscription fee of $5.00. However, subscription revenue covers only 35 per cent of the costs. The remainder of the approximately $6,000 annual budget is met through small grants from provincial and federal governments, and private organizations such as the Vanier Institute. The ultimate goal is to make it self-supporting. An active subscription campaign is being conducted to reach this goal but the narrow market for the publication will require considerable time to reach this goal. Since January, 1971 the number of subscriptions has increased from 139 to 414.

The grant paid by Consumer and Corporate Affairs in 1971-72 was $1,000 and in 1972-73 is $2,000.

$25,000—The Associations Coopératives d'Économie Familiale (ACEF)

The Associations Coopératives d'Économie Familiale (ACEF) is a federation of independent consumer education, protection and counselling organizations with headquarters in Montreal and nine separate ACEFs throughout the Province of Quebec.

The organization has been successful in meeting its objectives of informing the consumer and resolving individual consumer problems, particularly those of

the lower income, disadvantaged and less well-educated person.

ACEF has a 1972-73 budget of $504,000 and forecasted revenue of $329,999 from member organizations and other sources leaving a deficit of $175,000 which is similar to the 1971-72 deficit. ACEF requested a grant of $53,000 from the Federal Government and $120,000 from the Province of Quebec. To date the Province of Quebec has provided a grant of $25,000.

Other sources of revenue for individual ACEF organizations in past years have included service contracts with the Company of Young Canadians, grants under the "Local Initiatives Program", and contributions from local charitable organizations. Under the federally sponsored Local Initiatives Program in 1972 approximately $149,000 was provided to various ACEFS for spcial projects such as day care centres, and social development studies.

The grant paid by Consumer and Corporate Affairs in 1970-71 was $50,000, in 1971-72 was $25,000 and in 1972-73 will be $125,000.

EXTERNAL AFFAIRS—CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Vote 30b—To authorize grants totalling $1,669,922.

Explanation—The additional funds will be used to provide for the following grants to International Organizations for Multilateral Assistance programs:

(1) International University Exchange Fund—$50,000.

(2) International Planned Parenthood Federation—$249,922.

(3) Food and Agricultural Organization, Freedom and Hunger/Action for Development Special Program—$150,000.

(4) Commonwealth Fund for Technical Cooperation—$220,000.

(5) An increase is requested of $1,000,000 in the amount of International Emergency Relief to meet high priority Vietnamese relief and refugee needs—$1,000,000.

Source of Funds—Vote 30—Funds originally provided for other CIDA programs are available and can be used to provide for the payment of these grants.

NATIONAL HEALTH AND WELFARE

Vote 40b—To authorize a grant of $100,000.

Explanation—An additional $100,000 is requested to assist in the development of provincial, municipal and voluntary family planning services and for specific projects in this area. A sum of $1,050,000 was originally provided for this type of assistance in the current fiscal year.

Source of Funds—Vote 40—Funds originally provided for contributions to the provinces for Guaranteed Income Experimental projects are available for the payment of this grant.

PUBLIC WORKS

Vote 10b—To authorize a grant of $77,000.

Explanation—It is proposed to provide a grant to the City of Whitehorse to finance the cost of additional equipment required to maintain areas handed over to the City by the Government of Canada.

Source of Funds—Vote 10—Funds originally provided under this vote are available due to additional revenues being received which were not forecast.

VETERANS AFFAIRS

Vote 20b—(This item is also included under Schedule C)—To authorize the payment of grants totalling $400,000.

Explanation—This additional sum is required to provide for the payment of the following grants:

(1) Additional funds are required as the result of increased numbers qualifying for assistance under the Assistance Fund Regulations—$350,000.

(2) Additional funds are required for Hospital Insurance Compensation to meet the cost of payments ($2.00 per month) to elegible War Veterans Allowance recipients in provinces where hospitalization premiums are not levied—$50,000.

Source of Funds—Vote 15—Funds are available as the result of the hospitalization and medicare premiums of War Veterans Allowance recipients over age 65 now being paid by the Province of Ontario.

SCHEDULE C

ONE DOLLAR ITEMS AUTHORIZING TRANSFERS FROM ONE VOTE TO ANOTHER—EIGHT ITEMS (INCLUDES ONE ITEM FOR VETERANS AFFAIRS VOTE 20b WHICH IS ALSO LISTED IN SCHEDULE B.)

EXTERNAL AFFAIRS

Vote 5b—Amount of Transfer to this Vote $669,999.

Purpose—This additional amount will be used to provide for:

(1) The purchase and installation of equipment in the new Communication Centre in London, England—$260,000.

(2) The purchase of furniture and equipment required at the various posts abroad due to the posting of additional program officers and support staff and the effect of the new policy whereby the Crown rather than the employee leases or purchases accommodation—$410,000.

Source of Funds—Vote 1 ($340,000) and Vote 20 ($329,-999)—Funds are available in Vote 1 due to overestimating by the Department of the cost of administration and operating expenses related to additional support services for new postings abroad in 1972.

Funds are available within Vote 20 due to the cancellation of the U.S.A. plans for a World Exposition in Philadelphia in 1976.

JUSTICE

Vote 5b—Amount of transfer to this vote $89,499.

Purpose—This additional sum will be used to cover the cost of service contracts in the area of research and for research texts and papers in connection with the study and review on a continuing basis of the statutes and other laws comprising the laws of Canada.

Source of Funds—Vote 1 ($89,499)—Funds are available from salary and associated costs due to a delay in the hiring of staff.

Vote 10b—Amount of transfer to this vote $85,999.

Purpose—These funds will be used to provide for the additional cost of the independent tribunal for the disposition of disputes between taxpayers and the Minister of National Revenue.

Source of Funds—Vote 1 (85,999)—Funds are available from salary and associated costs due to a delay in the hiring of staff.

PUBLIC WORKS

Vote 35b—Amount of transfer to this vote $300,000.

Purpose—This additional amount is required to cover the cost of maintenance of certain portions of the Northwest Highway System in accordance with an agreement between the Department and the Commissioner of the Yukon Territories.

Source of Funds—Vote 40 ($300,000)—Funds are available due to slippage in certain capital projects.

TRANSPORT

Vote 40b—Amount of transfer to this vote $4,999,999.

Purpose—This additional amount is required to meet increased ferry deficits. The additional costs are due mainly to additional tonnages carried from the mainland to Newfoundland, cost of repairing ice damage to coastal vessels and other costs associated with increased passenger traffic.

Source of Funds—Vote 70 ($4,999,999)—The annual operating deficit for the Canadian National Railway System will be less than was originally estimated due to the receipt of subsidy payments under the Railways Act.

—ST. LAWRENCE SEAWAY AUTHORITY

Vote 130b—Amount of transfer to this vote $349,999.

Purpose—This additional amount will be used to cover the cost of completing a number of projects under the 1971-72 Federal Labour Intensive Projects program undertaken on the Lachine Canal and the Cornwall Canal.

Source of Funds—Vote 120 ($349,999)—Funds are available from the sum provided for the Welland Canal operating deficit.

VETERANS AFFAIRS

Vote 1b—Amount of the transfer to this vote $449,999.

Purpose—This additional amount will be used mainly to provide for the cost of salaries and other expenses associated with cost of the annual escalation of Veterans' pensions and allowances as provided under recently approved legislation.

Source of Funds—Vote 45 ($449,999)—Funds are available as a result of unforeseen recoverables from the Province of Ontario.

Vote 20b—(This item is also included under Schedule B)—Amount of the transfer to this vote $399,999.

Purpose—This additional amount is required to provide for the payment of the following grants:

(1) Additional funds are required as the result of increased numbers qualifying for assistance under the Assistance Fund Regulations—$350,000.

(2) Additional funds are required for Hospital Insurance Compensation to meet the cost of payments ($2.00 per month) to eligible War Veterans Allowance recipients in provinces where hospitalization premiums are not levied—$50,000.

Source of Funds—Vote 15 ($399,999)—Funds are available as the result of the hospitalization and medicare premiums of War Veterans Allowance recipients over age 65 now being paid by the Province of Ontario.

SCHEDULE D

ONE DOLLAR ITEMS WHICH AUTHORIZE AMENDMENTS TO PREVIOUS APPROPRIATION ACTS—THIRTEEN ITEMS (INCLUDES ONE ITEM FOR NATIONAL REVENUE—CUSTOMS AND EXCISE VOTE 1b WHICH IS ALSO LISTED IN SCHEDULE A.)

COMMUNICATIONS

Vote L6b—To authorize an extension and revision to the original vote wording so as to update the authorization for the services presently available from the Government Telecommunications Agency.

Explanation—This extension in authorization is proposed in order that the various telecommunication's services which are now provided by the Government Telecommunications Agency may be provided when requested by customer departments. The Agency's objectives and activity structure was updated in the 1973-74 Main Estimates and this revision brings the vote wording into agreement with the services now offered.

EXTERNAL AFFAIRS

Vote 1b—To authorize an extension to the vote wording so as to permit the write-off of an outstanding loan.

Explanation—This extension in authorization is requested in order that the Working Capital Advance Account may be reimbursed for the unpaid and uncollectible balance of a posting loan to a former External Affairs employee.

FINANCE

Vote L11b—To authorize an extension to the vote wording so as to extend the date for inclusion of eligible costs for forgiveness purposes and to redefine the amount to be capitalized.

Explanation—This is requested to not only authorize an extension to July 1, 1972 of the deadline for the inclusion of costs eligible for forgiveness purposes but also to authorize in subsequent fiscal years the inclusion of accrued interest when consolidating loans for capitalization purposes.

INDUSTRY, TRADE AND COMMERCE

Vote 1b—To authorize an extension to the vote wording so as to not only reimburse the amount of an outstanding department loan but also to extend the assistance available under the General Adjustment Assistance Program.

Explanation—The proposed revision to the vote wording is requested to provide for:

(1) The write-off of a loan provided for the purchase of equipment to assist a Canadian defence industry with plant modernization in the amount of $102,712.50 due to the termination of a contract by default.

(2) An extension of the assistance provided under the General Adjustment Assistance Program so as to provide insurance or guarantees to all firms in manufacturing industries and to those in service industries which significantly affect international costs of manufacturing industries, when these firms require financial assistance to enable them to establish or restructure operations in order to take advantage of new opportunities or to improve their international competitive position or when service industries by restructuring improve the ability of manufacturers in international trade competition.

Vote 10b—To authorize an extension to the vote wording so as to enable the Minister to provide guarantees and insurance to Canadian companies and organizations for approved projects undertaken to promote Canadian agricultural products other than grains and oilseeds.

Explanation—This authority is requested so that the Minister may provide guarantees and insurance on contingent contributions to Canadian companies and organizations in respect to approved projects undertaken to promote the expansion of the total market for Canadian agricultural products other than grains and oilseeds. The present vote wording does not constitute authority for projects involving the Crown in contingent liabilities outside the current fiscal year. These liabilities would result from agreements entered into with firms to reimburse them if there were a default in the repayment of loans made by the firms in support of selected projects.

It is also proposed to establish a statutory limit of $1,200,000 for guarantees and insurance on these contributions.

INDUSTRY, TRADE AND COMMERCE—Concluded

Vote L17b—Authority is requested to extend the purposes of the vote wording so as to enable additional manufacturers to receive direct loans under the General Adjustment Assistance Program.

Explanation—The direct loan portion of this program was established in 1968 to assist manufacturers in Canada who have been seriously injured or threatened with serious injuries as a result of increased imports attributable to the Kennedy Round tariff reductions. Subsequent amendments extended the direct loan portion to manufacturers of textile or clothing goods who were injured or threatened with injury as result of imported goods and manufacturers injured by the imposition of a temporary surtax by a country other than Canada. The current revision extends direct loans to any person of manufacturer engaged in a manufacturing enterprise in Canada who in the opinion of the General Adjustment Assistance Board, requires such loan in order to adapt efficiently to competition from goods imported at such prices, in such quantities or under such conditions as to cause serious injury or to be threatened with serious injury and who is unable to obtain sufffficient financing on reasonable terms from other sources.

Vote 30b—To authorize an extension to the vote wording so as to enable the Minister to provide guarantees and insurance to Canadian companies and organizations for approved projects undertaken to promote Canadian grains and oilseeds.

Explanation—This authority is requested so that the Minister may provide guarantees and insurance on contingent contributions to Canadian companies and organizations in respect to approved projects undertaken to promote the expansion of the market for Canadian grains and oilseeds. The present vote wording does not constitute authority for projects involving the Crown in contingent liabilities outside the current fiscal year. These liabilities would result from agreements entered into with firms to reimburse them if there were a default in the repayment of loans made by the firms in support of selected projects to expand the effected market for Canadian grains and oilseeds.

It is also proposed to establish a statutory limit of $2,000,000 for guarantees and insurance on these contributions.

MANPOWER AND IMMIGRATION

Vote 10b—To authorize an extension to the vote wording so as to permit the payment of travelling allowances to certain Manpower clients.

Explanation—This extension in authorization is proposed so that travelling allowances may be paid to Manpower clients who require special diagnostic counselling not otherwise available at their local Manpower Centre. These travelling allowances will be paid as part of the recently expressed intention by the Department to extend a special range of manpower services to unemployed workers, who, for one reason or another, have experienced a significant difficulty in either entering or sustaining themselves in the labour market. Since such diagnostic services are generally in short supply, it will be necessary in many instances to send clients from one centre to another. The present Manpower Mobility Regulations do not provide for paying allowances under such circumstances.

NATIONAL HEALTH AND WELFARE

Vote L16b—Authority is requested to repeal the authorization establishing the Health Insurance Supplementary Account and to replace it with a new Fund and to extend the benefits available under this Fund.

Explanation—The present Hospital Insurance Supplementary Account was established in 1966. It provides for payment in respect of the cost of insured services incurred by persons who, through no fault of their own, ceased to be eligible for insured services under the Hospital Insurance and Diagnostic Services Act. An agreement has now been reached with the provinces to extend these provisions to cover medical services effective July 1, 1972. The revised vote wording is necessary to provide for this and to create the new Health Insurance Supplementary Fund. The balance of the existing account will be transferred to the new integrated Fund. The Fund will be sustained through matching contributions by the provinces and the Federal Government on the same basis as the previous account.

Vote 45b—To authorize an increase of $475,000 in the statutory aggregate amount of payments that can be made under the Fitness and Amateur Sport Act.

Explanation—This increase in the statutory ceiling is needed to permit additional payments to be made in support of projects relative to native groups—Indians and Eskimos ($300,000) and for certain recreational projects ($175,000).

NATIONAL REVENUE—CUSTOMS AND EXCISE

Vote 1b—(this item is also included under Schedule A)—To authorize through an exension to the vote wording, the reimbursement of the Customs and Excise Working Capital Advance Account for the value of obsolete and surplus material.

Explanation—This authorization is required to reimburse the Working Capital Advance Account established in 1954 for some $28,132.18 of stores which have become obsolete.

REGIONAL ECONOMIC EXPANSION

Vote 1b—To authorize an extension to the vote wording so as to permit the reimbursement of an Advance Account for stores which are obsolete and to terminate the Account.

Explanation—This extension to the vote wording is required to authorize the reimbursement of the Maritime Marshland Rehabilitation Administration Stores Working Capital Advance Account for $4,560.00 of stores which are obsolete, unserviceable or lost, and to transfer the balance of the assets of the Advance Account to the Council of Maritime Premiers, thus terminating the Account.

TREASURY BOARD

Vote 20b—To authorize an extension to the vote wording so as to permit the transfer and the inclusion under the Locally-Engaged (Non-Contributory) Pension Regulations of an annuity paid to a retired employee.

Explanation—This extension in authorization is proposed in order to permit the transfer and the inclusion of an annuity, paid to a retired employee, under the Locally-Engaged (Non-Contributory) Pension Regulations. The payment of this annuity was originally authorized under an Appropriation Act. This transfer will entitle the recipient to a re-assessment of benefits due to the steady decline in exchange rates between the Jamaican and Canadian dollars. This will complete the transfer of all annuities of this type which are now being paid to former locally-engaged employees.

SCHEDULE E

ONE DOLLAR ITEMS WHICH AMEND EXISTING LEGISLATION OTHER THAN APPROPRIATION ACTS—TWO ITEMS

FINANCE

Vote L16b—Authority is requested for the deletion of the words "Polymer Corporation Limited" from the schedules of the Crown Corporations Act and the Financial Administration Act.

Explanation—It is requested that the title "Polymer Corporation Limited" be deleted as of July 31, 1972 form the Schedule of Crown Corporations (Provincial Taxes and Fees) Act and from Schedule D to the Financial Administration Act since this Corporation has now been purchased by the Canadian Development Corporation.

INDUSTRY, TRADE AND COMMERCE

Vote 11b—Authority is requested to enable the Crown to idemnify its representatives elected to the Board of Directors of any company in cases where the federal government wants to protect its interest in the company.

Explanation—Authority is requested to indemnify those persons who are elected, as representatives of the Crown, to the Board of Directors of certain companies to which the Government of Canada has either provided loans or has purchased shares and in which the Crown wishes to maintain an interest. It is proposed that this indemnity also cover other than government employees as long as they are the Crown's representatives. This authority will provide protection against all costs, charges and expenses incurred except those occasioned by the representative's own wilful neglect or default.

The Standing Senate Committee on National Finance

Evidence

Ottawa, Thursday, March 22, 1973

The Standing Senate Committee on National Finance, to which was referred the Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1973, met this day at 10 a.m.

Senator Douglas D. Everett (*Chairman*) in the Chair.

The Chairman: Honorable senators, we will proceed to consideration of supplementary estimates (B) for the fiscal year ending March 31, 1973. We have with us today: Mr. A. Kroeger, Deputy Secretary, Program Branch, Treasury Board Secretariat; and Mr. R. L. Richardson, Director, Industry and Natural Resources Division, treasury Board Secretariat.

You have before you, honourable senators, an explanation of the $1 items in the supplementary estimates, and you also have a copy of supplementary estimates (B). Mr. Kroeger tells me he has some remarks to make before we begin consideration of the estimates themselves. Is that agreed, honourable senators?

Hon. Senators: Agreed.

Senator Phillips: Is the minister, Mr. Drury, going to be present?

The Chairman: No, the minister is not going to be present. I did not invite him to be present.

Senator Phillips: You did not?

The Chairman: No, I did not.

Senator Phillips: Isn't that rather unusual?

The Chairman: Under the circumstances, I do not think it is. However, I am in the hands of the committee, and if the committee wants me to invite the minister, I shall do so. It has been my experience in the particular situation of dealing with supplementary estimates that we actually get more of what we want through the officials than through the minister himself. It has been my practice in the past to invite the minister to attend, when dealing with the estimates, but not when dealing with supplementary estimates unless there is a particular issue involved. In the last supplementary estimates, supplementary estimates (A), there was such an issue. I was requested to invite the minister and did so, although I was not here myself as chairman, and the deputy chairman chaired the meeting. In this case I have not invited the minister, but if there was a specific request, I would do so.

Senator Phillips: Well, it is somewhat late for this meeting, Mr. Chairman, but may I strongly recommend that in the future the minister be invited? I say this because I had intended to beging my questioning this morning on matters of policy, and I do not feel it would be fair to involve public servants in matters of policy for which only the ministers can answer. I am not being critical of you this morning, Mr. Chairman, because I did not give you advance notice, and I shall forgive you on this occasion.

The Chairman: That is very kind of you, Senator Phillips, and I certainly will give it every consideration. I might say that I do not think that either Mr. Kroeger or Mr. Richardson is beyond being asked questions of policy. So I hope that if you have policy questions you will ask them, and we will see how it goes from there.

Senator Phillips: Well, I shall give it a try, with certain restrictions, because I do not wish to try to embarrass them.

The Chairman: You never do, senator. Mr. Kroeger.

Mr. A. Kroeger, Deputy Secretary, Program Branch, Treasury Board Secretariat: Thank you very much, Mr. Chairman. I have a few brief remarks—not any formal statement—that I might make to introduce the discussion this morning.

The final supplementary estimates for the fiscal year provide a last opportunity to seek authority through an appropriation act to effect a number of changes which tend largely to be of a housekeeping character. You will find in your book a number of examples of this, such as the annual reckoning of the operating loss of the Agricultural Stabilization Board, the loss on the Barley Pool account, certain adjustments to meet higher costs that have been encountered in the fiscal year, some items for the deletion of debts and some items for the recoupment of temporary allotments for interim financing from the Treasury Board Contingency Fund.

There are also in this set of supplementary estimates a number of revisions, that are printed for information purposes, to the forecasts that were made of various statutory expenditures which appeared in the main estimates for 1972-1973. In addition to this, however, there are certain new government measures such as the $8 million grant to establish Heritage Canada, and others, no doubt, that will attract the attention of the committee.

This final set of estimates for the current fiscal year brings the total estimates for budgetary expenditures to $16.548 billion. Now, there is always a shortfall or a lapse between the estimate and the actual expenditures. The figure of $16.548 billion that I quoted a moment ago is an appropriations figure. I mentioned the point about the

lapse—it generally amounts to 1.5 per cent to 2 per cent—to explain what might appear to be a discrepancy between the various estimates that have been tabled, which show a total appropriation of $16.548 billion, and the figure of $16.300 billion which was used by the Minister of Finance in his forecast of actual budgetary expenditures for the current year. The difference between these two figures is exactly 1.5 per cent, which is the normal lapse in a fiscal year.

The Chairman: Could you give us more details with regard to that lapse?

Mr. Kroeger: Yes, I could speak to that in reply to any particular questions that the committee may have, Mr. Chairman.

The Chairman: All right, that is fine.

Mr. Kroeger: It is a little difficult to formulate a general rule about lapses. They can occur for a variety of reasons, relating to a miscalculation of one kind or other of the amount of money which is required. You may have a labour strike, problems encountered in construction, recruitment of staff—all of these things can give rise to a shortfall between the estimates and expenditures. I will be happy to elaborate on that later.

With regard to the non-budgetary side of the picture, the total for loans, investments and advances has been $1.717 billion. The current year net cash flow on that amount, plus amounts through means other than appropriation acts, will raise the figure to the $2 billion in net cash requirements which appeared in the 1972-1973 fiscal framework mentioned in the budget speech.

Mr. Chairman, you have mentioned the material we have distributed, as is customary, concerning $1 items. I might summarize the contents of that document for the committee. The estimates, as originally printed, contained thirty-two $1 items. These can be grouped in five categories. The first is $1 items for the deletion of debts owed to the Crown, of which there are four in these estimates. The second is $1 items authorizing grants, of which there are five in these estimates. The third is $1 items authorizing transfers from one vote to another, of which there are eight in these estimates. I might say that this is a typical end-of-the-fiscal-year phenomenon, where a department will find, as it runs towards the end of the fiscal year, that it has too little money in one vote where it has underestimated its requirements, and more than it needs in another vote; and you can effect a transfer from one vote to another by what we call a $1 item. The fourth category of $1 items concerns those which authorize amendments to previous appropriation acts, and there are 13 of those in these estimates. Finally, there are $1 items that amend existing legislation, other than appropriation acts, and the estimates as printed contain two such items.

Members of the committee will no doubt be aware that one of the items in question was not approved by the House committee.

I think that will suffice for purposes of opening remarks, Mr. Chairman. My colleague Mr. Richardson and I will be glad to answer questions to the best of our ability.

I might simply add that in the Treasury Board Secretariat we are responsible for review and compilation of the estimates, both main and supplementaries. Therefore, we should be able to explain what the various items in the final supplementary estimates represent.

We also have some knowledge of the various programs and we will endeavour to answer questions about them. However, where the committee wishes to have information of a fairly detailed nature we will be glad to seek that information from our own records or from the department in question. I think this has been the practice in the past—at least, it has been our practice—and that it has generally been possible for us to respond fairly promptly to meet the committee's requirements.

The Chairman: Thank you, Mr. Kroeger. Are there any questions?

Senator Manning: Mr. Chairman, on this matter regarding transfers from one vote to another, what authorization is required other than those required by the Treasury Board?

Mr. Kroeger: All items appearing in the supplementary estimates require the prior approval of the Treasury Board, including $1 transfers.

Senator Manning: Does the approval of $1 items complete the authorization of transfers, so that $10 million can be transferred from one vote to another?

Mr. Kroeger: Once estimates are approved by Parliament, that completes the process. There is consideration given by the Treasury Board in connection with the compilation of the estimates before they are presented to Parliament. If a $1 item is approved, the department can immediately make the transfer from one vote to another.

Senator Carter: May I ask a question with regard to a point of procedure? When you appeared before the House of Commons committee did you present this statement on $1 items?

Mr. Kroeger: There was discussion about precisely that point in the committee on Tuesday night. Members of the committee drew attention to the fact that the Standing Senate Committee on National Finance had for a number of years received as a matter of course an explanatory statement regarding $1 items; and members of the committee expressed the wish that they receive similar material. That is being supplied to the Miscellaneous Estimates Committee, I think, today. I anticipate they would seek similar material in future years. Indeed, if I recall the wording of the motion correctly, it provided that henceforth the same kind of material as is provided to this committee should be provided to the House of Commons Miscellaneous Estimates Committee.

Senator Laing: What is going to be the effect of the action taken by the committee on Monday night?

Mr. Kroeger: You are referring to the failure to approve a $1 item concerning the Polymer Corporation?

Senator Laing: Does this affect the sale of the corporation to CDC?

Mr. Kroeger: My advice on that matter is that it does not affect the sale. The sale of Polymer to the Canada Devel-

opment Corporation was specifically provided for in article 39(c) of the Canada Development Corporation Act where Polymer is one of the corporations specifically named that the government is authorized to sell. An order in council was passed last July in connection with this matter. The item in the supplementary estimates was regarded as being of a housekeeping nature, in an endeavour to remedy an oversight that had taken place previously, the point being that it was somewhat anomalous for a corporation to be wholly owned by the Canada Development Corporation and still be under an obligation to report to someone else—in this case, to the minister directly concerned who, in turn, is required to report to the House of Commons within 14 days.

Senator Laing: Will there be a minister required to report for the CDC?

Mr. Kroeger: No, the Canada Development Corporation is not a crown corporation in the same sense. It is not a crown corporation at all, whereas Polymer is; and the requirement of Polymer to report arises from the fact that it is listed in the Financial Administration Act as a Schedule "D" crown corporation. CDC does not report to the House of Commons. But as of now the situation is that although Polymer is 100 per cent owned by the CDC it may be required to continue to report to the House of Commons.

Senator Carter: Doesn't that mean it is still a crown corporation, although its ownership is vested in the CDC?

Mr. Kroeger: I think that is correct. Its status continues to be that of a crown corporation by virtue of the fact that it is listed in the Financial Administration Act and there have been no parliamentary actions taken to delete it from that act. In that sense it is still a crown corporation.

Senator Croll: CDC does not report to Parliament at all?

Mr. Kroeger: No, sir.

Senator Croll: Who does it report to—the shareholders?

Mr. Kroeger: Yes, sir.

Senator Croll: I see. I am not going to get you involved with regard to the Polymer situation as to whom it should report. I suppose what the government has in mind is to amend the act so it does not have anything to report.

Mr. Kroeger: It was a case of tidying up, in effect. Normally if you have a corporation which is 100 per cent owned by another corporation, its responsibilities are exclusively to the parent. In this case it was discovered that there was a situation remaining where, although the Canada Development Corporation Act authorized the acquisition of Polymer, it did not simultaneously provide its automatic deletion from the Financial Administration Act.

Senator Croll: How can it be both a crown corporation and not a crown corporation? Perhaps the chairman could deal with that situation.

The Chairman: The point is that they are trying to remove it from the requirements of the Financial Administration Act so it will report, presumably, to Polymer and from Polymer to the CDC and from there to the shareholders of CDC.

Senator Phillips: Mr. Chairman, the point which bothers me, on which I would like clarification, is that it is my understanding that public funds—certainly the fact that Polymer is a crown corporation would mean they are public funds—are invested in the corporation and there is no report to Parliament. Is this not rather an unusual procedure?

The Chairman: I think normally a subsidiary would report to its shareholders, or to its parent, which would then report to the shareholders. If I understand the matter correctly, Polymer will be, or is, a subsidiary of CDC.

Senator Laird: But, Mr. Chairman, is there not only one shareholder of CDC at the moment?

The Chairman: But the particular manner in which CDC is set up is in order to enable it to become, in effect, a business corporation.

Senator Laird: I realize that.

The Chairman: With the government holding a substantial interest. It was important, however, as I understand it, in the formation of CDC that it not be a crown corporation, but owned substantially by the public of Canada.

Senator Laird: That is right; this is the ultimate objective. But is it not the present situation that the only shareholder is the government?

The Chairman: That, I believe, is correct.

Mr. Kroeger: Yes.

Senator Phillips: And we are transferring approximately $350 million, if my memory serves me correctly, in various publicly owned corporations. Are we to transfer $350 million to a corporation which does not report to Parliament? If that is the situation, I am afraid I could not go along with it; I would have to be vehemently opposed.

The Chairman: We could ask the question to whom CDC does report. Presumably, it will issue a financial statement.

Mr. Kroeger: I cannot claim great expertise in the subject, but it is the case that CDC was set up with very substantial advances from the Crown, or the Minister of Finance. The number of $25 million comes to mind, but I may not be correct. These, of course, were also public funds. In acquiring a crown corporation such as Polymer an exchange of shares in the Canada Development Corporation took place with the Crown. That leaves a situation, as has been discussed, of a corporation with only one shareholder, which is the government. Nevertheless, it is not a crown corporation and, therefore, is not required to report to the Parliament of Canada in the manner followed by other crown corporations.

The Chairman: Do you know whether there is any provision, though, for the annual report of CDC to be tabled by the government?

Mr. Kroeger: I do not know, Mr. Chairman.

Senator Croll: My recollection of the act is that there is no provision.

The Chairman: It would be helpful to ascertain that.

Senator Croll: I think you will find that it does not report to Parliament, but to the government as a shareholder.

The Chairman: I understand that, senator. We might find out, though, whether the government intends to table the report, and we might mention in our own report that so long as the government is the sole owner of the shares—

Senator Laird: That is precisely what I was about to suggest.

Senator Croll: The Law Clerk could examine the act.

Mr. Kroeger: If it would be helpful to the committee, we would be glad to consult the Department of Finance and provide that information.

The Chairman: We will ask the Law Clerk to examine the act while we are sitting. We will return to the matter.

Senator Croll: Give him sufficient time; it cannot be done too quickly.

The Chairman: Can we depart from that matter now?

Senator Phillips: If I may, while we are discussing reporting to Parliament, Mr. Chairman, I will put a question I had intended to draw to the attention of the minister as a policy matter. I will endeavour to avoid the policy aspect of it as much as possible and ask a direct question. Contained in supplementary estimates (B) are eight or nine items authorizing Treasury Board to establish regulations and so on involving approximately $200 million. When and where are reports of the administration of these funds available? Some are loans, some grants. I do not want to return to the argument we had recently in committee concerning present and subsequent years; I will leave that for the legal authorities, who can argue its technology.

Mr. Kroeger: Could you indicate an example of such a case?

Senator Phillips: One concerns the Department of Industry, Trade and Commerce, at pages 60 and 62 of the supplementary estimates (B), where considerable changes are made. How can we obtain a report on the administration of these loans, investments and advances, and so on?

Mr. Kroeger: In some cases I believe the amounts disbursed are reported in the main estimates. If your reference, however, is to the more detailed administration of such funds, I am not aware of any generally established reporting procedure, other than responses to specific inquiries. In some cases where the provision of funds or guarantees for loans to corporations are concerned, as a matter of policy a degree of confidentiality is maintained because of the commercial implications of disclosing some of the information in question.

Senator Phillips: I can appreciate your difficulty there, Mr. Kroeger, with respect to confidentiality. This is a matter, however, that is beginning to concern me greatly, in that we are making loans of considerable size to some very well-off corporations—strangely enough, some of them being American subsidiaries of extremely large corporations—and really have no follow-up as to how the public money is used. This causes me more concern than the loan itself, which I am not cirticizing, as it may be essential.

The Chairman: What particular program are you referring to, senator?

Senator Phillips: Let us go back to page 62. I am referring particularly to a loan that I noticed to Canadair. It is at the bottom of the page. It is in the amount of $14 million. Then we turn the page and we find another loan of $1 million to Radio Engineering Products Limited. These are all subject to terms and conditions approved by the Treasury Board.

The Chairman: I have not found the place.

Senator Langlois: It is vote L16b on page 62 and vote L18b on page 64.

Senator Phillips: I think that this committee, in particular, should have some means of following up and supervising these loans. It is fine to place one's trust in the Treasury Board, but you will pardon the fact that I have a certain reservation about placing myself with complete confidence in the hands of the Treasury Board. I wonder if we could not develop some form of procedure whereby we could follow up this type of loan in the future.

I realize the difficulty in keeping confidentiality. This committee does meet occasionally *in camera*. In the past we have met with the president and the senior officials of the Bank of Canada. I think we have kept things in confidence. Perhaps we could set up an arrangement similar to that whereby these loans could be supervised.

Mr. Kroeger: There are several different categories here. The amendment to the General Adjustment Assistance Program would involve a number of loans or loan guarantees which might well give rise to the problem of confidentiality to which I referred earlier.

In the case of the Canadair loan, the company itself is identified and the amount is identified; and the role of the Treasury Board in prescribing terms and conditions tends to relate to fairly detailed items such as examination of cash phasing, the disposition of the aircraft, the contribution by the company, and that sort of thing. I do not know whether all of these items raise the same degree of difficulty. It might be easier in some cases than in others to make public the terms and conditions.

Senator Phillips: Since we have zeroed in on Canadair, may I follow up on that loan? Canadair is a subsidiary of an American firm. I recall watching two special films on the CBC on the problems of the aircraft industry in Canada. The problem of developing and financing a water bomber was specifically mentioned in the films, and they came to the conclusion that no market existed for it. Yet I find that we are lending Canadair $14 million to develop an aircraft for which another crown corporation came to the conclusion that no market existed. This is the type of thing that I would like the committee to go into, to examine the wisdom of making such a loan, the necessity for it, and have some review of this.

The Chairman: I wonder if I might interject here, senator? We have Mr. Hopkins, the Law Clerk, with us.

Mr. Hopkins, as I understand it, the senators would like you to examine the Canada Development Corporation Act to see what requirement there is for the corporation to report its financial operations to Parliament and/or the government.

Mr. E. Russell Hopkins, Law Clerk and Parliamentary Counsel: Yes. I cannot do that instantaneously.

The Chairman: We understand that.

Mr. Hopkins: Is that the specific question?

The Chairman: Yes.

Senator Laird: A second problem arises from Senator Phillips' remarks. It is the matter of getting Treasury Board approval, and the possibility of being able to get all the details there. What about that?

The Chairman: I think we should give Mr. Hopkins one problem at a time.

Senator Laird: He seems to understand that problem. Whey not give him another job?

The Chairman: Did you want to hear from Mr. Hopkins on that?

Senator Laird: I think Senator Phillips raised a legitimate point there.

The Chairman: We have not matured the discussion of that, senator; so perhaps Mr. Hopkins could pursue the Canada Development Corporation problem; and then, as this discussion matures, if necessary we can ask him to come back and you can repeat your request.

Senator Phillips: If I may, I would like to take you up on your use of the word "mature." That seems to insinuate that my discussion up to now has been juvenile, and in a jocular manner I would like to take you up on that and say I was serious.

The Chairman: You must not be sensitive, senator. The maturity I referred to did not reflect on you.

Mr. Kroeger: If I may comment on the Canadair loan item, it might be helpful if I were to give a bit of background to this. The water bomber was developed in the 1960s by Canadair, as Senator Phillips has observed. They have experienced some difficulty in finding markets for it. It is, however, a product which has been brought to the production stage, as opposed to research and development. In this particular case, negotiations with a foreign buyer have been in progress and, I believe, have been successfully concluded.

The purpose of this loan was to enable Canadair to establish an economic run for its aircraft so that its unit price, in the case of those aircraft that it was selling to the foreign buyer, would be competitive. There is a measure of inventory financing here to permit the company to establish an economic producton run. There is some expectation that it will be able to make further sales in the future.

Senator Carter: May I ask a supplementary on that? Does the machine that has been developed involve Canadian innovation and technology? Is this a further stage in the innovation phase? Is this loan to enable Canadian technology to be developed to the stage where we can make the aircraft marketable?

Mr. Kroeger: No, sir, not in terms of actual development. The product exists; the technology has been established. This loan would not cover further refinements to the technology of the basic product. It is simply to enable the company to establish a production line which would produce enough aircraft at a price which would make it competitive.

Senator Carter: Could that not be regarded as a further stage of development? It is Canadian technology which is involved here and we are carrying it to the ultimate stage. We are carrying it to a further stage of development so that, as you say, it can be produced at an economic price in order that it can be marketable. That is what I understood you to say.

Mr. Kroeger: The statement that this is Canadian technology is correct. The water bomber was developed by Canadair. However, my understanding is that what is involved here is not a further improvement of the technology—

Senator Carter: No, I am not talking about an improvement. I am talking about a further stage in the research and development which produced the bomber and carried it through the prototype stage. Now you have to get the stage where it can be produced as an economic unit.

Mr. Kroeger: Some of these aircraft have been produced and sold in the past. I believe the Government of Quebec bought some, for example. This would involve additional production of the same aircraft. However, if you set up a production line to produce, say, four aircraft, your unit cost would be prohibitive. On the other hand, if you set up a production line for twenty and you already have a market for, say, ten, then the unit cost for the first ten is low enough to make it competitive. At the same time, you have an inventory problem with the other ten for which you will have to find a customer at a later stage. That, essentially, is what is involved here.

Senator Laing: How many remain unsold?

Mr. Kroeger: I believe the number retained in inventory will be of the order of ten.

Mr. Robert L. Richardson, Director, Industry and Natural Resources Division, Treasury Board Secretariat: That is correct.

The Chairman: So it is twenty-ten and ten?

Mr. Kroeger: That is right. The figures I used for illustration purposes, to the best of my recollection, are the actual figures involved here.

Senator Langlois: Are we safe in assuming that the potential customers will be provincial governments?

Mr. Kroeger: For the remaining ten, or for the first ten?

Senator Langlois: For all of them.

Mr. Kroeger: The first ten involve a foreign buyer. Whether provincial governments might be interested in the remaining ten is a matter of conjecture. I am sure the company would be actively exploring the possibility of making sales to provincial governments, particularly in those provinces where there is a substantial problem with forest fires. However, whether they would be interested is a matter yet to be determined.

Senator Manning: I do not want to digress, Mr. Chairman, but I am wondering if there is a particular reason

why this segment of the aviation industry is singled out for this type of government assistance? The reason I ask this is that in my own province these water bombers are used quite extensively for fighting forest fires, and to the best of my knowledge we never had any difficulty in contracting with private contractors for this service. I am wondering whether the thinking behind this was that this is a type of facility that both the provincial and the federal forestry departments themselves wanted to get into.

Our experience out West was that there was no need for government assistance in getting all of the water bombers we required. We simply contracted with the private companies. From our studies we found that we could get this service cheaper that way.

Mr. Kroeger: The answer to the question Senator Manning poses is that it is, essentially, an employment problem that is being dealt with within the Canadian aircraft industry. Because of the generally difficult conditions prevailing in the aerospace industry, not just in Canada but in the United States and elsewhere, there has been a fairly widespread phenomenon of falling production, shortening production lines and, in some cases, declining employment. In the case of Canadair the last major contract was the production of the CF-5 aircraft for the Canadian Armed Forces. That production is now complete. Canadair does not have a contract of comparable scale as a follow-up. It does have certain products such as its tilt-wing vertical take-off aircraft and the water bomber, and certain others, which it is making efforts to market.

There is a problem, in the present circumstances, of maintaining employment in the industry and keeping it in being. Canadair, of course, is not the only recipient of this type of government assistance. Honourable senators may be aware of the arrangements that have been made with the De Havilland Corporation in connection with the production of the DHC-7 aircraft, which was announced some months ago.

Senator Croll: What is the cost of one of these aircraft? What do they sell for?

Mr. Kroeger: I would have to give you an approximate answer to that, senator. I think it is around $1.8 million. It is on the expensive side for this type of aircraft. That is one of the problems, as I understand it, which the company is encountering in marketing these aircraft.

Senator Croll: Because of competition from the United States?

Senator Carter: It is not a big enough production run.

Mr. Kroeger: Partly that and partly competition. Another factor is the straight economics of forest fire fighting. There are a number of techniques which one can bring to bear, of which the use of aircraft is only one. Also, this type of aircraft is one of various types of aircraft that can be used, so there is some choice. Members of the committee may be aware, for example, that some of the surplus Tracker aircraft that were in the inventory of the Canadian Armed Forces were converted to water bombers. There are other aircraft used for this purpose as well.

Senator Phillips: One further question, if I may, Mr. Chairman. What are the terms and conditions that have been approved by Treasury Board with respect to vote L16b?

The Chairman: By that do you mean, senator, the terms of the loan and the interest rate, and whether it has any forgiveable features?

Senator Phillips: Yes.

Mr. Kroeger: I do not have that information with me senator, and I would need to take advice as to what degreee that information could be made public. I will look into it, for the committee so desires.

The Chairman: Is that your wish, honourable senators?

Senator Phillips: I would appreciate it, Mr. Chairman, if it could be looked into.

The Chairman: Then, we would request the answer to those three sub-questions, Mr. Kroeger.

Senator Croll: Subject, of course, to whatever confidentiality is involved.

The Chairman: Yes, they will report to us on that basis.

Senator Phillips: I am in agreement with that.

The Chairman: Thank you, senator.

Mr. Kroeger: We are keeping a record of any points that require follow-up.

Senator Laing: Isn't one of the main premises of this program to keep in Canada a group of highly trained personnel we are fearful of losing unless there is sufficient work here in Canada? What assessment has been made of that in relation to the general Canadian economy.

I think this is an important part of the program and probably one of the first considerations in giving assistance to this industry.

If we are going into a replacement for the Argus, which will involve a considerable amount of money, how much of this work can we put back into the plants in Canada in order to keep the highly trained personnel in Canada?

Mr. Kroeger: With respect to the first part of your question, senator, there is no doubt that the highly technological character of the aerospace industry generally—and by that I do not mean simply the airframe industry as represented by Canadair and De Havilland, but also corporations such as United Aircraft, which produces engines, and some of the other corporations that produce electronic equipment, and so forth—has been a factor in the type of support which has been provided and, indeed, in shaping the character and the size of some of the programs administered by the Department of Industry, Trade and Commerce, such as PAIT—the Program for the Advancement of Industrial Technology.

On the specifics of the question concerning the Argus replacement, the decision to invite proposals from corporations was announced last July, and what are called the unfunded proposals from, I believe, five corporations are being submitted to the Department of National Defence this month. In its review of those proposals from the five different corporations the department will be looking very closely at the degree of benefit that the selection of a particular company would convey to Canadian industry.

The so-called trade-off factor will be very important in the eventual decisions.

Senator Laing: Have you any percentage figure in mind? Are we hopeful of 30 per cent, 40 per cent of the $600 million or $700 million? What percentage?

Mr. Kroeger: It is really a matter of conjecture at this stage. A figure of 30 per cent might be a reasonable advance estimate. The assessment of the proposal has just begun. The figure of 30 per cent is one that was mentioned in some of the discussions that took place in advance of the receipt of these proposals. It could be higher. In part, it depends on what kind of period one is talking about, whether it is in the short term or a period of, say, ten years. One could cite, for example, the establishment of the Douglas Aircraft subsidiary in Toronto, where there is continuing employment and production at that facility which will extend over a period of years.

I might add that the so-called trade-offs would not necessarily be actual production of components for the new long-range patrol aircraft. The number of such aircraft to be purchased is relatively small. I believe there is a range of 20 to 30 aircraft mentioned. You could not necessarily establish an economic production run for equipment limited to just 20 or 30 aircraft, but you might get an undertaking form a corporation to place some other kind of business, also of a highly technological character, in Canadian industry over a period of years, which might have nothing directly to do with the long-range patrol aircraft as such. The package of offsets, of contracts that could be given to Canadian industry, will be taken very seriously into account in the selection of a contractor.

The Chairman: Honourable senators, Mr. Hopkins has returned, and perhaps we could ask him to inform us of his findings.

Mr. Hopkins: In the time at my disposal I think I have found the correct answer. There is no requirement for this peculiar body to report to Parliament. It is not a crown corporation, so the Financial Administration Act is not directly applicable. It is, to all intents and purposes, a shareholding company, and it is more of an accident that at the moment all the shares are, I believe, held by the government.

The Chairman: That is our understanding. Mr. Hopkins, we appreciate the promptness with which you have been able to get this information.

Mr. Hopkins: I confirmed that with the Department of Justice in case I had missed something, and they say there is no such provision.

The Chairman: Thank you very much.

Senator Laird, I think you wanted to bring a matter to the attention of Mr. Hopkins.

Senator Laird: In view of the fact that Senator Phillips raised this issue, I would sooner he continued with it.

Senator Phillips: The matter concerning me is the authority that Treasury Board assumes when we go to $1 items, giving them complete authority to draw up regulations and so on. I do not want to pick out any particular vote; I want to take the practice in general rather than taking any particular vote. We give authority for expenditure of funds subject to the approval of Treasury Board or regulations drawn up by Treasury Board. In going over a number of these books in my files, I seem to find that the amount of money granted under these conditions is increasing each year, and it is beginning to cuase me some concern. I should like to have clarification of the obligation of Treasury Board to report to Parliament. If there is no obligation, how do we, as members of the Senate, and in particular of this committee, follow up the expenditures of public funds? That is a brief summary of my objection.

The Chairman: The question we are trying to phrase is one at this point for the Law Clerk to examine the Financial Administration Act, to see what requirements are imposed on Treasury Board to report to Parliament. Although the Law Clerk may have a handle on it, I am not quite certain what you specifically want him to look for.

Senator Phillips: I think you have summed up the problem, Mr. Chairman. What is the obligation under the Financial Administration Act for Treasury Board to grant this information?

The Chairman: What information are you referring to?

Senator Phillips: On any amount that is voted under conditions stating "subject to approval by Treasury Board." By "approval" I also include regulations.

Mr. Hopkins: I will make just one comment, which may or may not be relevant. So far as I know, we have never had the power to follow up on what has happened as a result of our activities. For example, with private bill legislation we have no continuing power to survey or look at what happens to our parliamentary corporations; we just enact legislation. In other words, we have never acted as a sort of administrative supervisor of what is done, unless it comes before us in the form of something like legislation, such as appropriations. Whether I will be able to find anything that will be helpful, I am not sure, but I will certainly have a good look.

The Chairman: What is your understanding, Mr. Kroeger?

Mr. Kroeger: I was looking at a passage in the Financial Administration Act which may be of interest to the committee. Section 5(4) says:

> The Treasury Board may prescribe from time to time the manner and form in which the accounts of Canada and the accounts of the several departments shall be kept, and may direct any person receiving, managing or disbursing public money to keep any books, records or accounts that the Board considers necessary.

It goes on to elaborate on that. There is no reference here to disclosure. Of course, the accounts of the department are submitted to audit and where funds have been disbursed in a manner not in keeping with the conditions—

Mr. Hopkins: The Auditor General comments.

Mr. Kroeger: Precisely.

Senator Phillips: That could be anywhere from one year to two years behind the end of the fiscal year.

The Chairman: When the Auditor General makes his report?

Mr. Hopkins: I doubt if there is obligation on Treasury Board to report to this committee. The Auditor General would be the watchdog.

The Chairman: Unless a member of the committee were to ask a specific question in respect to a specific appropriation.

Senator Carter: I thought Senator Phillips' question included, when they are given a blank cheque to spend money under a $1 item, what obligation is on Treasury Board to report to Parliament what they have done about it. If they get to Parliament, we are all right and there is no problem; but I understood his question was in regard to what was done.

Mr. Kroeger: If I might add to the previous comment, some of the criteria for payments of grants that are approved by Treasury Board are a matter of public record.

Mr. Hopkins: And the public have to be informed.

Mr. Kroeger: For example, under the multiculturalism program of the Department of the Secretary of State, the department has delegated authority from Treasury Board to make grants to various organizations, subject to certain criteria that have been approved by Treasury Board. These criteria have been circulated very widely to potential recipients of such grants so that they could see what they would have to do in order to conform.

Mr. Hopkins: That is not quite the same thing.

The Chairman: Senator Croll, I should like to bring you up to date, as you have had to be absent briefly. You were asking what matter we were on. As I understand it, the matter that has been raised by Senator Phillips is that certain items of expenditures, loans, investments and advances, give to Treasury Board the right to set the terms and conditions as to how the particular item will be expended. And Senator Phillips has asked the question: How does Parliament, then, know the manner in which that expenditure has actually been made by Treasury Board? Is there any obligation on Treasury Board to report to Parliament on the manner in which it expended that bulk amount? The specific item dealt with was Vote L16b, page 62, the $10 million loan, for inventory purposes for water bombers, to Canadair Limited. Again, that is in accordance with the items and conditions approved by Treasury Board.

Senator Croll: Thank you, Mr. Chairman.

The Chairman: Senator Phillips was asking how this gets back to be reported, and Mr. Hopkins has told us that in such a case Treasury Board is under no obligation to report.

Mr. Hopkins: In connection with the CDC item; I have not gone any further than that.

Senator Laird: Would detailed information be available on request, say, by a member of this committee or our chairman?

Mr. Kroeger: I think that would depend on the nature of the information requested. In the case of the request made earlier, concerning Canadair, for example, I would need to look into the nature of the arrangement with the company, to determine to what extent the terms and conditions set by Treasury Board could be made public.

Senator Laird: I suppose the question of security arises there, does it not?

Mr. Hopkins: And also whether it might be confidential—the competitiveness.

Senator Laird: Yes, but if it is available to the Auditor General, subject to this confidential aspect, it should be available, say, to any member of this committee or to any member of the House of Commons.

The Chairman: I think the Auditor General would be concerned only about the matter of whether the money was expended in accordance with the vote. If he should find that it was so expended, then he would not mention it in his report; he would mention it only if he found an irregularity in the expenditure. So, he would not be interested in the same way that we are interested, or that Senator Phillips is interested—that is, in saying that the money has been voted, and there is no argument about that; or in asking questions as to whether it was expended properly. What senators would like to know in that case is just how it was expended, and what control they have over the matter.

Senator Phillips: In other words; Was the investment a wise one in the beginning?

Mr. Kroeger: There would be a difference between that and the case of the Auditor General's interest.

Senator Laird: I would go along with that.

The Chairman: I think we have the answer now from the Law Clerk.

Mr. Hopkins: I am prepared to have a look into this to see what the position is.

The Chairman: Is that agreeable?

Hon. Senators: Yes.

Senator Carter: On the Canada Development Corporation, seeing that there is no change in this item that was deleted, deleting Polymer from the Financial Administration Act, as long as that situation remains, the mechanics involved, I presume, is that the Polymer people will submit to the minister the same report as they submit to the parent company?

Mr. Kroeger: That would be required under the Financial Administration Act.

Senator Carter: So that is all that is involved in it, just sending the duplicate report to the Minister of Finance?

The Chairman: In that particular connection another issue has been raised: To whom does the CDC report?

Senator Carter: They are not required to report, under the Financial Administration Act, so they report to the—

Mr. Hopkins: Or under the Canada Development Corporation Act.

Senator Carter: Neither act requires them to report to Parliament.

The Chairman: Are they required under the CDC Act to report to the shareholders?

Mr. Hopkins: I presume so. It is more like a share company; there are shareholders.

Senator Croll: If my recollection is correct, the government is limited as to the amount of shares it can hold in the CDC. That is for the purpose of getting the Canadian people to invest in it.

The Chairman: Senator Laing might be able to enlarge on that.

Senator Laing: I do not think it could have been started right away without this kind of assistance from the government, before its shares were being offered to the public.

The Chairman: Honourable senators, at this point I should like to thank Mr. Hopkins for his excellent assistance to us this morning.

Senator Laing: But if they are going to report to the shareholders and the shareholders are the Government of Canada, there arises the question as to which minister they report to. I think it is the Minister of Finance.

The Chairman: I think that is correct.

Senator Laing: Until such time as they distribute shares to the public.

Senator Croll: Except that at the present time, dont' you belong to the Minister of Transport, under the act, for the moment?

Mr. Kroeger: Polymer?

Senator Croll: Perhaps not.

The Chairman: The Department of Supply and Services, I think.

Senator Laing: That is correct.

The Chairman: Perhaps you could enlighten me, Mr. Kroeger, on the argument taking place in the committee of the other place over the Polymer matter.

Mr. Kroeger: I have not seen the transcript of the discussions in that committee. I am at the mercy of press reports—

Senator Croll: I can tell you what it is. I do not want to hurt Senator Phillips' feelings.

Senator Phillips: I was going to say that if anyone can enlighten anyone as to what is happening in the other place, he would have to be awfully good.

The Chairman: I hope you are prepared to defend yourself, senator.

Senator Laird: Let me use an example which I have picked just at random. It is at page 40, under the item Canadian International Development Agency. You will see an item, International Emergency Relief, $1 million.

First, do you know what that is for, and, second, did your department make any scrutiny of it at all?

The Chairman: Senator, that is under item B on page 40?

Senator Laird: Yes, CIDA.

Mr. Kroeger: This was approved by Treasury Board, as all items appearing in the supplementary estimates must be. The amount in question is provided for the purposes of relief in South Vietnam with the termination or dimunution of hostilities there.

Senator Laird: That is what I wanted to get at.

Senator Carter: I have just one further question on Polymer. So long as Polymer remains a crown corporation, in what way are the employees affected? Would the employees have a different status than they would if Polymer were not a crown corporation?

Mr. Kroeger: Employees of crown corporations such as Polymer do not come under the Public Service Employment Act, and I do not believe that the change of status from that of crown corporation to complete ownership by the CDC would have any effect on the employees.

Senator Phillips: The pension fund would not be affected in any way?

Mr. Kroeger: I do not believe so.

Senator Phillips: Just following along on our surveillance of loans, on page 104, vote L30b deals with the terminal wharf at Come-by-Chance, Newfoundland. I believe you are familiar with this, Mr. Chairman. There is an additional $4 million provided for the construction of that terminal wharf. As you may recall, I questioned the original loan several years ago, and I find that we now have an additional $4 million.

If I may make the comparison, during the election campaign the Minister of Public Works came up with this tremendous wharf, using the prerogative that all ministers of Public Works have used in the past of giving a special grant to their constituency during election campaigns. I do not criticize him for that, but he could only come up with $5 million. Here we have $8.5 million in the original grant and another $4 million under this vote. What is the reason for that? I would like the explanation to follow from the original amount, if I may, Mr. Kroeger.

Mr. Kroeger: The expenditures on the Come-by-Chance wharf had come to about $2 million as of the end of 1971-72. The amount that was provided in the main estimates, as Senator Phillips has observed, was $8.5 million. In this particular case, construction proceeded more rapidly than had been foreseen in the autumn of 1971, when the main estimates were compiled, and it was found that an additional $4 million would be required to maintain the momentum. In other words, this is a request for cash phasing. As it turns out, more money will be spent in the current fiscal year and, ultimately, less will be spent in some future fiscal year, against the overall ceiling.

Senator Laing: It is simply a progress payment. It was expected, Senator Phillips, that the dock would cost $20 million.

Senator Phillips: That was not given in the original explanation, Senator Laing. That is why I was questioning it.

Senator Laing: I think at the time it was announced that it was estimated to be $20 million. We are quite protected in respect of that.

Senator Phillips: It is not a case of miscalculation?

Senator Laing: No; it is all to be repaid.

Senator Phillips: It is not a miscalculation of the cost of the wharf? We are still within the confines of the original calculation?

Mr. Kroeger: As Senator Laing has observed, it is a straight case of cash phasing within the $20 million ceiling; it is not a cost inflation.

I might say that there are in the estimates several items of that character. For example, there is the National Science Library. The committee might like to look at that at some point.

More often than not construction projects tend to encounter snags and problems that slow them down, but sometimes everything goes right and they proceed more quickly than had been estimated, in which case it becomes desirable to provide supplementary funding so that they do not have to lay off some of their labour force or slow down their construction. The Come-by-Chance wharf falls into that category. It is not a cost escalation, but comes within the overall ceiling.

Senator Langlois: I believe there is also the question of who is going to receive this loan.

Mr. Kroeger: Yes, that is true. The arrangements for Come-by-Chance are quite complex, but in essence the loans are made to a consortium of provincial crown corporations. I cannot elaborate on that with the information I have here, but that is the essence of the situation. If you wanted to go into it, I think it would be a fairly complicated explanation.

Senator Carter: Is the loan recoverable from the provincial government through the crown corporations that receive it, or is it recoverable directly from the company building the refinery?

Mr. Kroeger: The loan being made to the crown corporations, I would think they would be the ones who would also be repaying it.

The Chairman: Is the guarantee from the crown corporations?

Mr. Kroeger: I am sorry, but I do not know the answer to that.

Senator Laing: That was done because the substantial planning of the entire proposal was provincial. There was very little private capital in the original agreement, although I think Premier Moores has announced that he has written a new agreement in respect of the first refinery now. But we deal with the crown corporations because the guarantees were substantially, predominantly provincial guarantees.

Senator Carter: My understanding of it earlier was that this was being recovered from the company, from the Sheehan Refinery or whatever they call it.

Senator Croll: As I understand it, he is the man who, initially, is responsible for repayment, but they have the guarantee of the provincial government and various crown corporations for the purpose of being able to finance it.

Mr. Kroeger: I think that is correct.

Senator Langlois: Mr. Chairman, because of the complexity of the organization of these crown corporations, I think we should have the name of the crown corporation to whom the loan is going to be made.

Mr. Kroeger: We will be glad to provide that information, Mr. Chairman.

Senator Laing: It is called Newfoundland Refineries, is it not?

Mr. Kroeger: I think so.

The Chairman: Before we go on, Mr. Kroeger, may I ask if the lapses you speak of are the net of the increases and shortfalls? I refer to the $248 million of lapses.

Mr. Kroeger: Yes, they are, in the sense that—if I understand your question correctly—even after effecting various transfers between votes which would enable expenditures to take place, you would still have the lapse of 1.5 per cent that I referred to in my opening remarks.

The Chairman: But that is reflected in these supplementary estimates, is it?

Mr. Kroeger: The amounts being transferred?

The Chariman: No, the amount of the lapse.

Mr. Kroeger: The amount of the lapse is something that we can only estimate at this stage, because we have to rely on subsequent statement of what actual expenditures were, and that comes out in the public accounts later in 1973. For the moment we can foresee just about what the scale of the lapse is going to be in various votes, and then you can make a transfer from one to another, or to a number of others. If that is not done, then the money simply lapses at the end of the year.

Senator Phillips: Mr. Chairman, if I may turn to vote 1b on page 60—which deals with insurance for loans to firms who are meeting what one might describe as unfair competition from firms in other countries exporting competitive products into Canada—the regulations are listed under the vote and the main change I note is that the word "manufacturers" has been changed to "a person". Furthermore, I note that they use the words "a person" rather than the words "manufacturing enterprise" which is used later. I am aware that there may be a legal basis for this with which I am not familiar, but I wonder why the regulations are changed to use the words "a person" rather than "manufacturing firm" as is used in the 1968 act.

Mr. Kroeger: The significance of that, I believe, is entirely legal. It is a technical amendment to the wording. That is incidental to the overall intent of the provisions of this vote which are to take a program which was begun in 1968, as Senator Phillips has said, to enable Canadian manufacturers to meet competition from abroad as a result of the Kennedy Round tariff reductions, and also to exploit new opportunities abroad that would have been created by the reductions of tariffs in other countries. That was the original intent of this program.

In effect, what is involved here is an extention of this to all firms in manufacturing and related service industries for the purposes of international trade. It enables firms to avail themselves of the funds in question, without reference to any particular effects that might have arisen from the Kennedy Round tariff negotiations.

Senator Phillips: But if I may repeat my point, I am intrigued by the change in terminology from "manufacturers" to "a person". Did this change occur as a result of the department's running into some difficulty, or why has it been made?

Mr. Kroeger: I am not aware of the reasons for that particular change. "A person" can, of course, be a corporate person, and it may be that this wording was considered to be more satisfactory and more in conformity with general legislative practice. However, we could look into that more closely for you, if you desire it.

The Chairman: Would you like that, Senator Phillips?

Senator Phillips: Yes, I would.

In addition, I am intrigued by the combination of the two votes, the one dealing originally with the defence industry but now combined with the general manufacturing industry—when we go back to the two old appropriation acts—and I see we are forgiving a loan of $102,712.50. Due to the fact that it is now coming close to income tax time, Mr. Chairman, I wondered how firms and individuals go about receiving the forgiveness of loans, and if we could not apply that to our income tax.

Senator Croll: I am sure you could, and all that would happen would be that you would wind up in jail.

Mr. Kroeger: Would you like an explanation?

Senator Phillips: I would like to know to whom the loan was made, and why.

Mr. Kroeger: This was a company called Ilines which possessed a particular type of milling machine. This was a company that was in the general aerospace field, and because of the depressed stated of the aerospace industry in the late 1960s and early 1970s this company ceased to operate in 1970. The Crown repossessed in 1971 a milling machine they had. Ordinarily what would have been done is this: The Department of Supply and Services would have turned around and resold the machine to recover the amount specified here. However, an arrangement was made to lease this machine to McMaster University—I think to their engineering faculty—for a period of 10 years on a rent-free basis. As a result, it was not possible to recover the amount in question, and that has led to the appearance of the amount of $102,000 in this vote.

Senator Croll: What would McMaster do with a milling machine?

Mr. Kroeger: I gather that "milling machine" is a technical title. I assume it is a machine involved in metal working of one kind or another, of a fairly detailed character, which could be useful in engineering training, for example.

Senator Desruisseaux: On page 112 under "A—Department—Education Support Program" there is an item of $61.9 million in brackets, and I wonder what happened there.

Mr. Kroeger: The brackets signify a decrease. These are statutory payments, and when the main estimates were being compiled—in this case, the main estimates for 1972-73—an estimate was made of how much was likely to be spent under the provisions of the Federal-Provincial Fiscal Arrangements Act. That estimate turned out to be somewhat too high.

One of the reasons for this was the decline in university population. With the post-war baby boom crop reaching university age, there was a very rapid increase in recent years. The estimate had been that the increase for the year we are discussing would be 15 per cent but, in fact, it turned out to be 11 per cent, with the result that less money was disbursed under the statute than had been expected.

Another factor was that the value of the tax points transferred to the provinces for purposes of post-secondary education proved to be greater than had been expected because of the more rapid growth in the economy. There is a package arrangement here, where the value of the tax points is taken into account in determining the size of the payments. So you have two things here really: you have the tax points yielding more money than was expected; and, secondly, you have the smaller growth in the university population than had been expected. An adjustment was therefore made of $61.9 million in our most recent forecast of expenditures during 1972-73 under this item.

Senator Desruisseaux: There are two or three other items in brackets which amount to around $30 million.

Mr. Kroeger: Yes, sir. In each case these are revisions to the forecasts on the basis of more up-to-date information so far as statutory expenditures are concerned.

Senator Desruisseaux: But the next estimates that are going to be made will be made on the former basis, or will that be taken into account?

Mr. Kroeger: This estimate of $542 million which we printed in the main estimates for 1972-73 would have been made in November or December of 1971. We lock the books on the main estimates at the end of December, and the new fiscal year begins April 1. Over the course of 1972-73, on the basis of changing trends that were identified, it was possible to make a new estimate for the purpose of the 1973-74 fiscal year; and, taking into account the trends that were identified, the best figure we could arrive at was reflected in the main estimates for 1973-74. Again, that figure is going to be subject to revision, I have no doubt, in the supplementary estimates during the course of 1973-74, and we will be printing revisions to it, sometimes down and sometimes up.

Senator Phillips: Mr. Chairman, if I may change the subject, perhaps we could go fishing. On page 30 of supplementary estimates (B), vote 21b, regarding payment toward operating losses incurred by the Freshwater Fish Marketing Corporation, it is my understanding that this agency handles the entire freshwater fish production for the three Prairie provinces. Was the figure of $1.5 million the complete loss incurred by this corporation?

Mr. Kroeger: I am informed that the estimated loss of the corporation was $3 million. But this is a federal-provincial arrangement, and the federal government is seeking parliamentary approval for $1.5 million. The provinces are being asked to provide the balance.

Senator Phillips: This is the type of supervision that I feel is needed, Mr. Chairman.

It is my understanding, from reading the Minutes of the Miscellaneous Estimates Committee in the other place, that the total freshwater fish production of the three Prairie provinces fell from 14 million pounds to 7 million pounds over the year, and yet we have a loss of $3 million on 7 million pounds of fish. Mr. Chairman, even I could sell fish at that advantage. I feel there must be something wrong in the operation of any corporation that suffers a loss of $3 million on a sale of 7 million pounds of fish. I need not point out that this loss is greater than the entire subsidy paid to fishermen on both the East and West coasts.

Mr. Kroeger: Mr. Chairman, my understanding is that the figures we have been discussing reflect the accumulated loss, the deficit accumulated over a period of several years, and that, in addition, the corporation incurred certain capital expenditures which perhaps make the picture a bit worse than it might otherwise be.

Senator Phillips: Mr. Kroeger, immediately following that item you have a capital expenditure item of $507,250.

Mr. Kroeger: That is a separate item which is not related to the Freshwater Fish Marketing Corporation.

The Chairman: Do you write off capital expenditures?

Mr. Kroeger: Perhaps Mr. Richardson could answer that question.

Mr. Richardson: We do not write off capital expenditures in a direct sense. But part of the corporation's operating costs were due to expansion beyond the rate of production, which was lower than anticipated, and the costs could not be varied enough to fit in with the marketing situation. So the capital expenditure situation is partly the result of having more equipment in place than could be used but still having to incur certain debts.

The Chairman: That is an operating cost, not a capital cost.

Mr. Richardson: Yes, it is an operating cost.

Senator Phillips: Also, I understand that the corporation is buying out a number of smaller fish plants and closing them down in order to bring the fish into a more centralized and more modern plant.

Perhaps I misunderstood Mr. Kroeger's reply, Mr. Chairman, and perhaps he could clarify this for me. I understood him to state that the operating losses occurred over a number of years, yet the description of the vote states that it is for operating losses incurred in the year 1971-1972.

Mr. Kroeger: And 1972-1973. It was a loss incurred over a two-year period, not just this fiscal year.

Senator Phillips: Over a two-year period it is still a loss of approximately 21 cents a pound, which is a considerable loss in the sale of a pound of fish.

The Chairman: As volume drops, losses tend to increase in most business corporations. Could Mr. Kroeger tell us to whom the Freshwater Fish Marketing Corporation reports?

Mr. Richardson: It reports to the Minister of the Environment.

The Chairman: Is it an annual report?

Mr. Richardson: Yes.

The Chairman: Is it tabled?

Mr. Richardson: Yes.

Senator Phillips: Could we turn to page 80, the Department of National Defence, gentlemen, and the item of $9,800,000 described as "Protection of Canada"? Is this due to an increase in pay to the armed forces, or for the purchase of equipment?

Mr. Kroeger: All funds requested in this supplementary estimate are for operating rather than capital expenditures. You will note that the total is $27,600,000. I might say that the breakdown given under the "Activity to be Supplemented" table, running from "Protection of Canada" through to "Military Support Services," is somewhat arbitrary in the sense that although it is intended to provide the best possible picture, we encounter a really quite intractable problem. For instance, a destroyer on a NATO exercise one month, working in co-operation with the United States Navy on an exercise in the defence of North America is the second month, and called out some time during the third month in connection with a fisheries incident, involves the same vessel and personnel, but carrying on different activities. To provide an activity breakout we must somehow arrive at some rather notional calculations. Therefore, I think it is fair to say that the figures here are less informative than they are in the case of most departments. I understand that the Department of National Defence is very conscious of this.

Senator Phillips: I agree very much with your description of the situation, Mr. Kroeger.

Mr. Kroeger: It is not an easy problem to solve, but I have recently been informed that the department is studying on it and will try to produce a better method of describing its activities for the purposes of estimates.

Senator Phillips: The second item is "North American Defence." I presume that refers to NORAD.

Mr. Kroeger: It refers to NORAD and to joint maritime defence of the North American continent against a military threat. Thirdly, it refers to certain arrangements between Canada and the United States for land operations. They have occasionally engaged in joint operations in Alaska, for example, dropping a parachute unit into an area and conducting an exercise there. It covers activities in all three environments. I see the figure of $391,328,000 for main estimates. NORAD would represent approximately one-third of that. That is a fairly rough estimate because of the problems I referred to earlier.

Senator Phillips: I raised the question of NORAD in particular, Mr. Chairman. Could we be provided with a breakdown of the cost of NORAD to Canada in the past two or three fiscal years? I ask that specifically because it is my understanding that the NORAD agreement expires on May 1 of this year, and it is a question of whether the program will be renewed. It would be very helpful if the figures for NORAD were separated from North American defence.

Mr. Kroeger: Just for clarification, Mr. Chairman, NORAD itself is essentially a command arrangement for the joint command and control of the Canadian and United States air defence forces. NORAD as such, therefore, costs us practically nothing, except in the sense that Canadian officers are stationed at NORAD headquarters at Colorado Springs and, of course, we pay their cost. In terms of the command arrangements, however, that is really the only expense that we encounter. I assume that Senator Phillips refers to the cost of co-operation with the United States in the air defence of the North American continent, and we would be glad to obtain that information.

Senator Phillips: Yes.

Mr. Kroeger: For the interim I could provide a figure, which would be approximate but not too far out. The cost of Canadian participation in air defence arrangements in recent years has been estimated in the order of $135 million per year. That includes three interceptor squadrons, certain of the command arrangements such as North Bay, and certain of the radars, including the ground environment electronic control for the interceptor squadrons. That and other aspects are totalled into a figure of approximately $135 million. I do not have an up-to-date figure, but we will be glad to obtain it for the committee.

The Chairman: That is the cost of NORAD for what fiscal years?

Senator Laird: It is not NORAD alone.

The Chairman: No, Senator Phillips wishes to have the cost of NORAD alone.

Senator Phillips: Just for the last two years.

Mr. Kroeger: Would 1971-72 and 1972-73 be adequate?

Senator Phillips: Yes.

I refer now to the vote at page 10, "Farm Income Maintenance." Stabilization of agricultural products is presently covered.

The Chairman: You are referring to the headings "Contributions" and "Farm Income Maintenance"?

Senator Phillips: Yes, $7,210,000. What farm products are covered there?

Mr. Kroeger: I will find that information, if you will give me a moment.

The Chairman: While we are waiting, Senator Phillips, at page 60, vote 1b, I believe Mr. Kroeger understands what it is you want, but for the purposes of the report of the committee could you tell me more specifically the information that you have requested? This refers to the Adjustment Assistance Program, and the question was why the definition was changed from "manufacturing firms".

Senator Phillips: Yes, from "manufacturing firms" to "a person".

The Chairman: Where does that occur, senator?

Senator Phillips: At page 60.

The Chairman: And that was formerly in subparagraph (b)(i)?

Senator Phillips: Yes, and in subparagraph (b)(ii). It is changed from the Appropriation Act No. 1, 1968, which provided that the insurance would be to "manufacturers" in Canada, which is now changed to "a person". It is repeated in subparagraph (b)(ii) as "a person" and in subparagraph (b)(iii) as "a person".

The Chairman: To read the whole thing, "a person engaged in a manufacturing enterprise . . ."

Senator Carter: The answer to that is that the original ones applied to people already engaged in it, whereas this enables the grant to embrace people who are about to engage in it. You could not call a person a manufacturer if he is not manufacturing something. It would be more logical to say "a person" if you want to cover people about to be engaged in manufacturing. I think under the new science policy—

The Chairman: There may be another reason too, senator, in that there is a considerable amount of jurisprudence on the definition of the word "person". I doubt whether there is on the definition of the word "manufacturer". I am almost certain the answer would be that this is basically a housekeeping matter.

Senator Phillips: I also wanted to know if the change was made as a result of difficulty in the wording of the regulations drawn up by Treasury Board.

Mr. Kroeger: I think I have the answer to the previous question of Senator Phillips.

The Chairman: Where are we now?

Mr. Kroeger: On page 10. The item in question is Farm Income Maintenance, a contribution in the amount of $7,210,000. The question was: What commodities are covered?

We have a list of commodities and estimated expenditures to the end of this month. Would you like me to proceed slowly? They are: potatoes, hogs, wool, blueberries, carrots, rutabagas, apples, fowl, flowers; and finally—I am reading off a list of commodities which would have been covered in the entire course, and I would add here the Canadian Dairy Commission.

Senator Carter: That is not on a regional basis? There is no regional or provincial breakdown of that? It is purely nationwide?

Mr. Kroeger: These are nationwide figures, since we do not have a regional breakdown with us.

Senator Phillips: You said flowers. Is that "f-l-o-u-r-s"?

Mr. Kroeger: That is correct; to which I would add expenditures under the Agricultural Board account. There are separate items: for rapeseed, egg powder, and turkeys. Perhaps I misheard Senator Phillips' question. Did he say "f-l-o-u-r-s" or "f-l-o-w-e-r-s"?

Senator Phillips: I said "f-l-o-u-r-s".

Mr. Kroeger: It is the other—the things you get in a florist shop.

Senator Phillips: We are subsidizing St. Valentine's Day, then!

While we are on the subject, Mr. Chairman, I believe the Wheat Board is reporting under Industry, Trade and Commerce. I ask this question for clarification. There are certain items regarding the Canadian Wheat Board, and then, under (a) in vote 32b—

The Chairman: On which page?

Senator Phillips: Page 68. In vote 32b we come to the Eastern Wheat Producers Payments Regulations. As a Maritimer, I am still not too sure that I understand the Canadian Wheat Board, and then I find this new organization thrown in. There is a difference in the payments to Canadian Wheat Board producers and to Eastern wheat producers.

Mr. Kroeger: I may say that I am a Westener, and I sometimes have a little trouble with this subject too. Perhaps I can answer Senator Phillips' question in a general way. This item, incidentally, is what is called two-price wheat. This is a repeat from an item that appeared in the final supplementary estimates last year. In the case of producers in the West, payments are made on an acreage basis, to a maximum of 640 acres. In the case of producers in the East, payments are made on the basis of actual deliveries of wheat to flour mills, to a maximum, I believe, of 750 bushels.

The Chairman: What was the acreage payment in the West?

Mr. Kroeger: Six hundred and forty acres.

The Chairman: At so much an acre. I think, under the two-price system, there is a subsidy or each bushel of grain for domestic consumption, based on a ceiling in accordance with the size of the farm.

Mr. Kroeger: In essence I think that what you say is correct. The arrangements become very complex. I think that the reason for making the payments on an acreage basis, in the case of the West, is for purposes of establishing that maximum—in this case, 640 acres—whereas in the East, largely in Ontario, it is possible to compute it on the basis of actual deliveries of wheat to the flour mills. I would guess that this is because Western hard wheat is very largely exported, and the soft wheat that is grown in Eastern Canada tends to be used entirely for domestic consumption. So we calculate it is the East on a different basis than on the Prairies.

Senator Phillips: Mr. Chairman, I hope the other members of the committee understand the problem better.

The Chairman: We could call on Senator Molgat; he has a first-class angle on that.

Senator Phillips: If I may, Mr. Chairman, I have one more question. I note, throughout the supplementary estimates, there is a considerable increase in the administration costs of various departments. This is something that in the days of Senator Leonard we used to follow very closely. I have not yet found the vote in the blue book, but speaking from memory, Statistics Canada wanted an extra half a million dollars for administration costs.

Mr. Kroeger: That would be under Industry, Trade and Commerce, senator.

Senator Phillips: To me, this is a considerable increase in administration costs. What is involved in the half-million-dollar increase?

Mr. Kroeger: The total for Statistics Canada appears on page 70. Under vote 45b, "Statistics Canada—Program expenditures", there is a figure of $1,903,000. The breakdown for that includes a special survey of the labour force that is being undertaken for an amount of $568,000. Another part is related to the census. This would be the wind-up of the 1971 census, for $575,000. In addition, in connection with the staff of Statistics Canada, there is a pay increase which resulted in extra costs, unforeseen, of $200,000, and postage costs of $500,000.

Senator Phillips: Dealing with National Health and Welfare, at page 86, under the heading "Grants and Contributions," sir, could you clarify the following:

> Contributions to provinces and territories to assist in an extended program for the training of health and hospital personnel . . .

What type of personnel and various categories in the health field receive assistance under this program?

Mr. Kroeger: I would have to speak from memory with respect to that, senator. I believe this would cover all categories of medical personnel. If I remember correctly, this relates to the introduction of Medicare. It was foreseen that the introduction of Medicare would give rise to increasing demands for medical services resulting in a requirement for more trained personnel. The cost of training the personnel in question would have had to be borne entirely by the provinces, and, if I am identifying this item correctly, the Federal Government therefore made an arrangement for the provision of assistance to the provinces for training the personnel required. I think this relates to all levels of medical personnel. I would be glad to look into that for the further clarification of the committee, if that is your wish.

Senator Phillips: Is this in the form of grants for medical, dental and nursing schools, or is it moneys paid directly in assistance to the students?

Mr. Kroeger: These payments are made to the provinces, and the provinces distribute them among the institutions concerned.

Senator Phillips: So no payments go directly to the student?

Mr. Kroeger: No, senator.

The Chairman: Are there any further questions?

Senator Carter: I have one or two general questions, Mr. Chairman.

I note that when personnel are hired now—and I am going back to National Defence, as it was the first one I encountered—it is man-years that are involved. In the case of National Defence, 959. Why have you changed to man-years? That was not the procedure years ago. I notice that in many other departments now you have man-years. How do you figure out a man-year?

Mr. Kroeger: This what might be called a post-Glassco innovation. At one time departments had what were called establishments, where you had a rather detailed structure established—the division director, the deputy director, and then so many staff—and the departments would have to obtain the approval of what was then the Civil Service Commission, or the approval of Treasury Board, if they wanted to make any changes, even of a rather detailed character. The Glassco Commission made some rather harsh observations about this and certain other practices, to the effect that they really amounted to detailed control, or perhaps it could be called interference by central agencies in the ability of deputy ministers to manage their departments in the manner they thought best.

The whole trend in recent years has been in the direction of delegating authority to managers in the Public Service and to hold them accountable for the results.

A result of this, for example, is that in Treasury Board we now receive about one-third to perhaps 40 per cent of the number of submissions that we were receiving 10 years ago. We managed to eliminate a great deal of this detailed control and to delegate authority to the deputy ministers.

The man-year concept is a part of this. When a department, in the course of getting approval for its annual expenditures, as reflected in the main estimates, seeks additional personnel resources, it seeks them in terms of man-years. They do not say, "We need a deputy director for this position who will be paid exactly this amount," or that they need three clerks whos positions they outline. They seek a certain number of many-years. They would, for the purpose of illustrating how this requirement happened to arise, specify the sorts of pressure they were under or what new initiatives they wanted to undertake which gave rise to their requirement for these additional man-years. Once they get the additional man-years, the deputy minister then has the authority to move them around, to shift resources from one area to another or from one activity to another, without having to come back to Treasury Board for approval.

So, a man-year is the instrument that is now used. the departments are authorized by Treasury Board to hire employees up to a specified number of man-years. If one is talking about the last six months of a fiscal year and the requirement is for 100 man-years, then 200 employees can be hired for those six months, if this is what Treasury Board approves. The general concept here is what is known as letting the managers manage, rather than subjecting them to detailed control.

Senator Carter: I can understand that it gives the department heads more control over hiring and firing, instead of having to go through the Public Service Commission, but what about the financial control? At one time you had to have so many at a certain price. This does not talk about salaries. Presumably, you could have a man-year at any salary whatsoever. Where does the financial control come in?

Mr. Kroeger: The control comes in against the classification of positions. Simply because the deputy minister is given a certain number of man-years, it does not mean that they can all be at the senior executive level. These people will be filling positions which carry a particular classification. Again, a certain amount of classification authority has been delegated to the departments, subject to audit. What is provided is: (a) a man-year; and, (b), a sum of money, and the departmental manager may not exceed the amount of money with which he is provided to finance his operations.

The Chairman: National Defence on page 80, Senator Carter, under "Manpower" talks about "959 man-years." However, under "Operating" it designates salaries and wages at a level of $3,300,000, so presumably those man-years in total would have to fit in with that budgeted amount.

Mr. Kroeger: Exactly.

The Chairman: It does give the individual department head the opportunity of moving those man-years around in the way he feels would best achieve the objects of the vote.

Senator Carter: I am somewhat confused about this. "Operating" under "Defence" means operation; it does not mean people engaged for administrative purposes. This would not be part of the Armed Services, apparently. These people would not be members of the army, navy or air force; they are public servants. How are they distributed as among the army, navy and air force?

Mr. Kroeger: These 959 man-years, senator, relate to the federal labour intensive program, the $60 million program which was announced in the fall to create employment. The committee will be aware that this amount was distributed among a number of departments and agencies who had come forward with labour-intensive proposals they could undertake if they got some extra money. However, they also had to get some extra man-years. What we are talking about here is an illustration of the point I made earlier. That is 959 man-years. Those people would have been hired as of about January 1 last year. If you multiply that by four, you get an indication of the actual number of people who were taken on strength for the last quarter of the fiscal year.

Senator Carter: I have one other general question that arises under "Transport" on page 140. Under "New Major Capital Projects" it says "Terminal Facilities", under which comes dredging in Toronto and Stephenville. Dredging has always come under the Department of Public Works. Is this a change of policy? Formerly it was Public Works who decided where dredging was needed and where it would be carried out. Now, apparently, the Department of Transport is making decisions about where dredging should be done. Is this a change of policy?

Mr. Kroeger: No, sir. Indeed, both departments carry out some dredging operations. I was looking at page 104 under vote 25b, Department of Public Works, where $500,000 of the requested estimate is for the purpose of carry-

ing out a survey to determine dredging requirements on the Mackenzie River.

The Chairman: A more specific case would be perhaps on page 106 under "Marine Program," where there is a reference to "Fraser River, B.C.—Dredging . . . $530,000."

Mr. Kroeger: Both departments engage in dredging operations. Where there are major harbours—and on page 140 the two specified are Toronto and Stephenville—this would be done by the Department of Transport. On the other hand, dredging of inland rivers, such as the Fraser or the Mackenzie, would be the responsibility of the Department of Public Works.

Senator Laird: Might I suggest that the Department of Transport has exclusive jurisdiction under the Navigable Waters Protection Act, and under that act dredging would naturally come under the Department of Transport?

Mr. Kroeger: That is correct.

Senator Carter: I do not quite understand what interest Transport has in Stephenville that they would have to dredge in Stephenville. In my opinion, there is nothing in Stephenville that concerns Transport, except the industry that is based there. Any dredging being carried out in Stephenville is for the purposes of the two or three little industries that are established there. I do not quite see how Transport comes into that, how it affects Transport, or why it should be under the Transport vote rather than under Public Works.

Mr. Kroeger: The point is well taken, if I may say so. One could indeed visualize these activities being undertaken by either department—Public Works, by virtue of its statutory responsibility; or Transport, because of its general responsibility for navigational facilities, harbours, and so on.

Senator Carter: Why wasn't the Come-By-Chance one under Transport too? This is what I do not understand.

Senator Langlois: Come-By-Chance was a private facility.

Senator Carter: It was a loan.

The Chairman: I think Senator Laird has made the point.

Senator Laird: Is the one at Stephenville on a navigable water?

Senator Carter: Yes, it is on a navigable water.

Senator Laird: That explains it.

Senator Carter: As I say, as a navigable water it should come under Public Works.

Senator Laird: No, under Transport.

The Chairman: Senator Laird is saying the opposite, that any body of water that comes under the Navigable Waters Protection Act is the responsibility of the Department of Transport.

Senator Laird: That is right.

Senator Carter: My understanding always was that Public Works were the people who had to authorize anything to do with navigable waters; it was administered by Public Works.

Senator Laird: No. I have gone through that.

Senator Langlois: There are two parts to the Navigable Waters Protection Act: one part is under Public Works; and the other part is under Transport.

Senator Laird: Is that it?

Senator Langlois: Yes.

Mr. Kroeger: Would it be helpful to the committee if we were to provide a statement, which we could get from the two departments concerned, on their respective responsibilities for dredging?

Senator Carter: I think it would clarify matters. I raise it here because I am confused about other matters. For example, fishermen's wharves now seem to come under Environment. Everybody is mixed up in it now. Environment has a say; Fisheries; Transport has a say if a ship docks alongside it; and Public Works holds the money, apparently.

The Chairman: That is a good point. Mr. Kroeger has said that he will provide us with this information.

Senator Carter: I would like to have some clarification of how this responsibility is distributed among the various departments, which formerly, in my day, were all concentrated in Public Works.

Mr. Kroeger: We will not limit our answer to just the two departments. We will add the Department of the Environment, where there is a transfer of responsibility that is currently in progress, and when that transfer is completed they will be getting the money that goes with it. That still leaves the essence of your question, of exactly who is responsible for doing what. We will be glad to consult the three departments and provide a consolidated answer.

The Chairman: In the realm of what you are going to provide us with an answer between Public Works, the Ministry of Transport and Environment?

Mr. Kroeger: For dredging and wharves, if I understand the question.

The Chairman: Just the dredging and wharves?

Senator Carter: Yes. It refers to the terminal, and I cannot think of any D.O.T. terminal under the Ministry of Transport, unless you are going to put a public wharf there. If it is an approach to a public wharf that is already there it could very well come under Transport.

Senator Laird: I would be interested to know the answer too.

The Chairman: Mr. Kroeger has told us that he will provide us with the answer.

I now have five answers that cover requests for information.

The terms, interest rate and any foregiveable features of the loan to Canadair under item 16b.

To whom was the loan made in the matter of the Come-By-Chance wharf under item L30b?

Under item 1b, why was the Appropriation Act of 1968 changed from a loan to "manufacturers" to "a person engaged or about to be engaged in manufacturing"?

What was the cost of NORAD for the years 1971-72 and 1972-73?

And the matter just brought up by Senator Carter.

Senator Phillips: Mr. Chairman, I hate to leave you with an odd number. May we make it six?

I refer to page 84, vote L16b, "To repeal National Health and Welfare Vote 17a, Appropriation Act No. 9, 1966, and to establish a special account in the Accounts of Canada to be known as the Health Insurance Supplementary Account."

I note that this vote under the Appropriation Act, which we will be receiving shortly, is now described as a loan, whereas it was not in 1966. Why the loan aspect?

Mr. Kroeger: Perhaps it would be best if we were to provide that information separately. I could make a guess at it from the information we have here, but on a complicated subject of this kind it might be wiser if I did not.

The Chairman: May I have the precise question?

Mr. Kroeger: Under vote 16b, National Health and Welfare, the change from a budgetary appropriation to a loan vote, as between the Appropriation Act, 1966 and the present vote.

The Chairman: Are there any further questions? If not, may I have permission to prepare the report and submit it to the Senate?

Senator Langlois: This afternoon?

The Chairman: I hope so. Is that agreeable?

Hon. Senators: Agreed.

The Chairman: Honourable senators, on your behalf I would like to thank Mr. Kroeger and Mr. Richardson for their kindness and for their forthrightness. We hope they will get this information back to the committee chairman as promptly as possible.

Senator Carter: Will that information be appended to the report?

The Chairman: I propose to put in the report the six questions which have been asked. Clearly, I cannot append the answers to the report.

Senator Carter: I am talking about the printed *Proceedings*. Will they include the replies to the questions we have asked?

The Chairman: I will bring them to the next committee meeting following the supplying of the answers to me. Then it will be up to honourable senators to decide whether they should be printed as an appendix to those particular *Proceedings*. It is customary to do so, but it is not always so; it is up to the committee.

The committee adjourned.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS

OF THE

STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

The Honourable HERBERT O. SPARROW, *Deputy Chairman*

Issue No. 4

WEDNESDAY, JUNE 6, 1973

First Proceedings on the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974

(Witnesses:—See Minutes of Proceedings)

25829—1

STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman;*

The Honourable Herbert O. Sparrow, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.
Carter, C. W.
Choquette, Lionel
Côté, Jean-Pierre
Croll, David A.
Desruisseaux, P.
Everett, Douglas D.
*Flynn, Jacques
(*Ex officio*)
Giguère, Louis de G.
Grosart, Allister
Laird, Keith
Langlois, L.
*Manning, Ernest C.
*Martin, Paul
(*Ex officio*)
Paterson, N. M.
Phillips, O. H.
Prowse, J. Harper
Rowe, F. W.
Sparrow, Herbert O.
Welch, Frank C.

(Quorum 5)

**Ex officio Member*

Orders of Reference

Extract from the Minutes of Proceedings of the Senate of Wednesday, February 21, 1973:

"With leave of the Senate,

The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending the 31st March, 1974, in advance of bills based upon the said Estimates reaching the Senate.

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier
Clerk of the Senate

Extract from the Minutes of Proceedings of the Senate of Thursday, March 15, 1973:

The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination and consideration of such legislation and other matters as may be referred to it.

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier
Clerk of the Senate

25829—1½

Minutes of Proceedings

Wednesday, June 6, 1973

Pursuant to adjournment and notice, the Senate Standing Committee on National Finance met this day at 9.40 a.m., to consider the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974.

Present: The Honourable Senators Everett (*Chairman*), Carter, Desruisseaux, Giguère, Grosart, Langlois, Manning, Phillips, Sparrow and Yuzyk. (10)

Present, but not of the Committee: The Honourable Senators Hays, Lafond and Molgat. (3)

In attendance: Mr. G. Cocks, Director of Research.

At the beginning of the proceedings, the Honourable Senator Everett stated that, due to reasons explained to the Committee, he would call on the Deputy Chairman, Honourable Senator Sparrow to take the Chair.

Witnesses: From the Department of Labour—*Information Canada*

Mr. Guy R. D'Avignon, Director General;
Mr. A. G. Trickey, Assistant Director General.

At 12.40 p.m., the Committee adjourned to 2.30 p.m.

At 2.30 p.m., the Committee resumed.

Present: The Honourable Senators Sparrow (*Deputy Chairman*), Carter, Everett, Grosart, Manning, Phillips, Prowse, Rowe and Yuzyk. (9)

In attendance: Mr. G. Cocks, Director of Research.

Witnesses: From the Department of Industry, Trade and Commerce:

Mr. J. A. Murphy, Director of Information Service Branch;
Mr. J. L. Bradley, Assistant Director of Fairs and Missions Branch.

Mr. Murphy undertook to furnish to the Committee answers to certain questions at the earliest possible time.

At 4.45 p.m. *witness: Representative of the Press Gallery:*

Mr. Arthur Blakeney

At 5.15 p.m. the Honourable Senator Prowse moved:

"That the members of the Committee now present accept the information that has been given up to this point as information which has been taken by the Committee, and that it be incorporated in the record of proceedings for the information of all persons."

After discussion, the question being put on the said motion, the Chairman declared the motion carried in the affirmative.

At 5.55 p.m., on motion of Honourable Senator Everett, the Committee adjourned to 9.30 a.m., on Thursday, June 7, 1973.

ATTEST:

Gérard Lemire
Clerk of the Committee

The Standing Senate Committee on National Finance

Evidence

Ottawa, Wednesday, June 6, 1973

The Standing Senate Committee on National Finance, to which was referred the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974, met this day at 9.30 a.m.

Senator Douglas D. Everett (*Chairman*) in the Chair.

The Chairman: Honourable senators, at my request, Senator Sparrow has organized the hearings into Information Canada, and with your permission I should like to ask him, as Deputy Chairman, to take the Chair. Is that agreed?

Hon. Senators: Agreed.

The Chairman: The reason for our hearings is to examine the Estimates for the year ending March 31, 1974. We have before us Mr. D'Avignon, Director General of Information Canada, and Mr. Trickey, the Assistant Director General. Our purpose in these hearings is to make a short but detailed examination of Information Canada, to see how it operates and functions and to see how successful it is in achieving the directives put to it by Parliament.

Honourable senators, I will now turn the Chair over to Senator Sparrow to proceed with the hearing.

Senator Herbert O. Sparrow (*Deputy Chairman*) in the Chair.

The Deputy Chairman: Thank you, Senator Everett.

I wonder, Mr. D'Avignon, if you have an opening statement you would care to make this morning before the questioning begins.

Mr. G. R. D'Avignon, Director General, Information Canada: Mr. Chairman, honourable senators, I do not have an opening statement as such, but I should like to give you briefly an indication of the organization of Information Canada and what has been done since its creation.

Information Canada is now divided into four operational divisions. The first is Publishing, which is responsible for the Canadian marketing of publications; the second is Exposition, which is responsible for the exposition of all departments in Canada and abroad; the third is Regional Operations, which is responsible for information offices and bookshops across Canada; and the last is Communications, which is responsible for our relationship with the various departments, acting in a co-ordinating and advisory role when information programs concern more than one department.

It also, on request, does or can do information work for smaller departments.

I should like to go over some of the things that have been done in the last few years. Most of them have been done in the last year, as a matter of fact. In the publishing and distribution services we introduced a credit card purchase and good faith credit system. The good faith credit system is up to $5 in value. Before that you could not get a publication unless you sent a cheque. To help people get publications we have made it possible for them to order publications which are less than $5, in which case we will send the publication and hope that the people will send the cheque. We are not losing any money by doing that. We have improved our marketing methods quite a bit. We now have a chain of commercial agencies who handle our publications. There are 40 agents today. They have all been opened within the last 10 months.

In 1973-74 we hope to have 150 agencies and we will be going to 300 authorized agencies by 1975-76.

I think the days of our large book shops are over. We now have one in Halifax, one in Montreal, one in Ottawa, one in Toronto, one in Winnipeg and one in Vancouver. These are tied in with information centres. They serve a purpose, but they are rather expensive and I think we can do the same job by having authorized agents, people who are already in the book business who can sell our publications as authorized agents.

We have streamlined our mail order processing methods. Half of the books we sell are through mail order. The turn-around time has been reduced to five days. This is quite an improvement over what it was before.

We have introduced a computerized inventory management reporting system. By the end of June the inventory will have been reduced from 70,000 titles to between 12 and 14 thousand titles. A number of these titles which we are eliminating are things that date back to 1907 and 1908. They were items not moving but kept in stock. These things are not going to be destroyed. Most probably they will be transferred to the Public Archives—or at least one copy will. But, in terms of marketing these, there is no demand for them and there is no sale of them so we will cut down our inventory and we will be able to give better service because we will have less stock.

Whenever people talk about our budget it is never indicated that we returned last year a little over $3 million and that this year it is projected that $4 million will be credited to the consolidated revenue fund through the sale of our publications. So our budget is really not what people think it is.

Now, all our publishing and distribution activities will be converted to a cost recovery operation by April, 1974, which means that they will have to pay for themselves.

Everything will be charged and it will be a business operation.

Our audio visual service, which comes under the Exposition Division, is now self-supporting and operates totally on a cost recovery basis. Our customers or clients are the other departments.

In 1972-73 we prepared, designed and, in some cases, managed 150 domestic and foreign displays for 60 departments or agencies. An example of this is that we are doing all the design aspects of the RCMP centennial all over Canada.

As part of the audio visual service there is the photo catalogue, which used to be called the still photo library of the National Film Board. There had been no cataloguing of new acquisitions since 1966, but we are now doing that and we are also reactivating the photo story service of the National Film Board. There will be colour photos available for this service. These are photo stories which are sold to Canadian newspapers on Canadian subjects and this will pay for itself eventually. These are things of great Canadian interest which are bought by newspapers across the country.

Our inquiry service system has now been established. The nucleus was established in 1970, but our regional offices have really opened only starting last summer. I have already indicated where these centres are located. They sell books and also give information to people across the counter, by telephone and by correspondence.

Five more centres will be opened in the fiscal year 1973-74 in the five provinces not covered now. There probably will not be any book stores there, but there will be information offices.

This is not a duplication of what other departments are doing. Only six federal departments have information officers in the field and more and more the business of government is being decentralized. People who live outside Ottawa should also have easy access to information.

Last year 500,000 requests for information were received by telephone, by mail order or over the counter in these regional offices and it seems to be increasing at the rate of 20 per cent a year.

We also have designed a backup system of information which permits us to answer up to 85 per cent of all our inquiries in less than two minutes. The average time is 8.9 minutes. Some of them take a long time and demand a lot of research. We answer 58 per cent of these requests directly without contacting the departments. So we relieve the departments of much work in doing this. In the balance of the cases we have to go to the departments, but the taxpayer, the citizen, does not have anything to do. We handle all this for him—whatever he wants to know. We get the information and we get the publications directly from the department. In some cases we need to go to the department if it is a highly technical matter.

Other statistics that might be significant are these: 90 per cent of our inquiries come from people who telephone or ask in person. The balance is by correspondence.

With respect to our relationship with other departments we are primarily a support and service agency in this area. A council of information directors was created in 1970 and is chaired by the Director General of Information Canada. There are regular meetings at which we talk about information matters and where we try to co-ordinate information programs when more than one department is involved.

We provide manpower resources and assistance to other departments and to a lot of central agencies like the Treasury Board, for instance.

I have a request at the moment from the Chief Electoral Officer to develop an information system for his service. We are involved with the Olympic Committee. We are involved with the Conference of Commonwealth Prime Ministers in the area of information.

I attended a meeting at the National Film Board in Montreal yesterday at which the participation of Canada in the bi-Centennial celebration of the US was planned, and Information Canada will play a significant role in that area.

The area of communications with departments may have suffered a little bit as compared with the other activities, but there was a matter of establishing priorities and it was felt that giving information to the people was our number one priority. We are getting ready now, however, to give this advisory service to the departments on a much wider basis.

One of the instruments that we have developed to do this is a concept of mobile units. We will have two mobile units operating in Manitoba and Nova Scotia this summer. Each will have an advisory committee to operate and report, which will be composed of information and operation people from most of the departments who are operating in Nova Scotia and in Manitoba, and the chairman will not be anybody from Information Canada but will be somebody from a department. That will be the case both in Manitoba and in Nova Scotia.

I have covered the activities of the four divisions of Information Canada. We did not quite know what the honourable senators would be interested in.

Mr. Trickey is responsible for administration and finance. We are ready to answer all questions on this, but if there are any detailed questions on our program which we cannot answer we will be glad to bring a witness or submit a document or any other information you wish to have. We might not have all information about who our agent is in Red Deer, Alberta, or in a small community in Nova Scotia, but we can get that information very easily if you are interested in the details of our operation. Thank you very much, Mr. Chairman.

The Chairman: Thank you very much, Mr. D'Avignon. I will ask Senator Yuzyk to start the questioning.

Senator Yuzyk: My first question will be more or less on the background of Information Canada. There had been a report of the Task Force on Information before Information Canada was established. Would you be good enough just to outline some of the main recommendations and give us some idea of how these have been carried out?

Mr. D'Avignon: Honourable senators, if it were possible to reply to this question tomorrow, I would prefer it. We are appearing in front of your committee tomorrow, I believe, and Mr. Tom Ford, who was a member of the commission and is a member of our staff, is Director of our regional operation and he would be much better qualified than either Mr. Trickey or myself to give you the

background on this. All I can tell you is that most of the recommendations—not all of the recommendations—were accepted by the government, but Mr. Ford could in a matter of a few minutes go over all of this, if that is acceptable.

Senator Yuzyk: That is fine.

Mr. D'Avignon: He is really the expert in this field.

Senator Yuzyk: Now, Mr. D'Avignon, as you are well aware, Information Canada has come under considerable criticism throughout the country, particularly for having increased its budget annually, when originally the Prime Minister of Canada stated that Information Canada would come into operation in order to save money and to improve the services. Why is it that it was not possible to save the money as the Prime Minister has indicated?

Mr. D'Avignon: Well, Mr. Chairman, over the last year our budget has not increased. As a matter of fact it has decreased slightly. Certainly there has been an increase to some extent since its inception because there were new programs. There have been reports that the budgets of certain departments have increased and certainly that is so, but we have to take into consideration that where there has been a substantial increase these departments were new-born, and here I am talking about DREE and the Department of the Environment. When they were set up they only had their general administrative cadres, and after that they realized they needed an information capacity, and these were created during these years. But I think in the overall there has not been an increase, and we have some figures that we can give to the committee on this. The situation is somewhat the same with Information Canada. When it was created in 1970 it did not have all the functions that it has now. For example, we did not have regional offices and we had to build this up. That increased the budget slightly. But since we have been operational, the budget has not increased. There will be a slight increase this year because we are opening offices in Prince Edward Island, New Brunswick, Alberta, Saskatchewan and Newfoundland. These provinces should certainly not be denied easy acess to information. But this will be done on a modest scale and should not cost very much. I think if we could analyze the cost of information per unit—and this is very difficult because it is not a sausage-machine; it is not something you can count at the end—one thing we would have to realize is that the more information you give to people, the greater the demand you create for accurate information. We now give more information to the Canadian citizen than he has ever before received. Perhaps it is a matter of philosophy whether the citizen in a system like ours is entitled to such easy access to information, and if he is, perhaps the overall cost might seem to be a little bit more, but per unit of information it is considerably less. This is because of the co-ordination and centralization. Perhaps Mr. Trickey would care to give some of the financial details.

Mr. A. G. Trickey, Assistant Director General, Information Canada: I think, Mr. Chairman, we should consider Information Canada when it was created on April 1, 1970. Certain functions were transferred to Information Canada, and there was a provision in the initial stages for the creation of new functions and the increase in absolute dollars as between 1970 and 1973-74 is primarily the increase in moneys necessary to staff our inquiry centres across Canada. These are the people who are responsive to questions asked by the public. There is an approximate increase of $1.4 million in this area. The other significant increase in the finances resulted from the decision by the government that all departments should bear their own postage costs and this accounts for something like $1.3 million. This is for the mailing of our publications and is a function which we inherited. Also there is something in excess of $500,000 or $600,000, now in our estimates, for services that were formerly provided free by the Department of Supply and Services connected with the mail order, handling and wrapping of books and the handling of them in the warehouse operation, as well as the cost for warehousing our publications in the Hull warehouse in connection with the Canadian Government Printing Bureau So if you take these three things, you will find they add up to a total—and there are other minor variations here and there—to the increase from $7.9 million to $10.8 million for 1973-74. There are two other small items in our estimates this year that were not reported in our departmental estimates in other years, and these are made up of our share of superannuation costs for continuing employees which amounts to something like $350,000. Furthermore this year for the first time we were asked to reflect in our main estimates the cost of summer programs for the employment of students which is roughly $115,000 to $120,000 and represents 20 man-years. This in summary explains the change as between 1970 and 1973-74. If you add them up, they come to something like $3 million difference as between the two years.

Senator Yuzyk: It is rather interesting that as a government department you have to budget for postage. Have you given consideration to the fact that other departments send out their material with franking privileges? Have you given some thought to introducing this to Information Canada?

Mr. Trickey: This was the situation prior to the change of policy—there are books and periodicals and so on which went out without charge for postage to us. But there was a change in policy, as you are aware, and it was decided that the post office itself should reflect more correctly the revenues that it was earning from the efforts they were putting forth and from the mails they were handling, and all departments, I understand now, are paying for any postage that they use. It is, in effect, a transfer from one department to another. Before this change, so far as the expenditures of the post office were concerned, there were no offsetting revenues.

Mr. D'Avignon: Mr. Chairman, you will realize that our department is the only one with a mail order business, and requires a great deal of money for mailing costs as compared with other departments who also may be sending things. So out of this small budget there is a large proportion that is spent in this way, but this is part of our business. We are sending more things out to people, and this affects us a lot more than it affects other departments. But I think all other departments are now under the same constraints and they have to budget for their postage.

Senator Yuzyk: But most of these books should bring in some kind of a profit to offset part of the cost.

Mr. Trickey: Not always. All the books supplied to depository libraries and educational institutions are dis-

tributed free of charge. For instance the charges for the handling and distribution of *Hansard* and reports of committee meetings—we pay for the postage on all of these. Now there are people who for a subscription of something like $12 a year receive all copies of *Hansard*. If there are 200 sitting days in the year, this means 200 mailings to each individual subscriber. Therefore we pay for the copy of *Hansard*, and in addition we pay for having it packaged and mailed. But in return all we get in fact is the $12 per year if there is a subscription. The cost of the postage itself is in excess of the amount of revenue we get from that particular subscription. This is what we are examining at the present time in considering the transfer of the whole publishing and distribution function to cost recovery as of April 1, 1974.

Senator Yuzyk: You have taken over the distribution of all government publications?

Mr. Trickey: Yes.

Senator Yuzyk: And that is where the increased postage comes in?

Senator Grosart: Not all of it.

Mr. Trickey: Not all distributions, no. We have taken over all distributions, but we do not do all of them directly. The Department of Supply and Services do many of these for us. In fact I think the Department of National Revenue also do some for us, and also Statistics Canada do some for us. These are in particular areas. But they in turn bill us for that service and we pay for it.

Senator Yuzyk: Structurally, have you reached your optimum in carrying out these services? You have indicated that there will be other offices established, but that is within your plans for what I would call an optimum structure.

Mr. D'Avignon: The moneys we ask for this year cover the opening of these additional regional offices. We are working with this concept of mobile units which will be tested this summer. It could very well be that we will find this to be an additional way to reach the Canadian people. If so, we might make recommendations to open this to other provinces, that is if it works. I do not think that we can assume that if we cover only the large metropolitan areas we are giving information to the Canadian people generally. I think in terms of organization and in the terms of the things we want to do we have reached an optimum point, but there could be further developments that would require slightly more staff to cover Canada as we would like to cover it. Certainly we should investigate the use of Zenith Telephone free of charge for people who are badly in need of government information. We do not feel that because a man lives in a rural community he should be denied this right.

Senator Yuzyk: You are making provision for improvements in, say, computer services and retrieval and things like that?

Mr. D'Avignon: That is right.

Senator Yuzyk: Do you find, having been in operation now for three years, that some major changes have been required for this purpose, that would mean an outlay of more moneys?

Mr. D'Avignon: I think we can accomplish most of these things by a reallocation of funds. There were some programs that we were embarked on and which have been eliminated—the media analysis program which was costing quite a bit of money was cancelled last year because it was felt it was in competition with private enterprise. It was criticized for this, and possibly rightly so. So we did spend money on this and possibly there were no returns, but I thought it was better to cancel the program that had very little chance of being successful. By reallocating some of these moneys, and not very much of them, I think we can do most of the things we want to do. I did not refer before to the Federal Identity Program. This is a program that is getting near the end—the flag and logo of the Canadian flag has been accepted now and is used practically all over, so I think somebody else should administer it now. The people who buy stationery, for instance, like the Department of Supply and Services. We will be recommending something like this to our minister very shortly. Maybe all it would need would be a small secretariat because it does not need to be with Information Canada and probably should not be with Information Canada. So we are really not interested in doing things we don't need to do.

Senator Yuzyk: I have a further question about what is called the "waste" of public money, and this is still connected with my first question. If Information Canada had not existed today, the cost of all of these services, prior to its inception, would have been greater? Would you consider that the services have improved because of the co-ordination or integration of certain aspects of these services? In other words, I was thinking of comparing the old system with the present one now, in a general way.

Mr. D'Avignon: I am pretty sure that some of the operations carried out before by other departments, like the marketing of publications, the exposition division, would be as effective under another department as they are now, because they would have done the same thing as we have—improved the marketing methods, improved the time lapse between an order being received and the publication being sent. They would also, I am sure, have cleaned up the inventory. The same for exposition.

However, I think there has been an accrued benefit in being able to coordinate these things. I think there is a saving in the fact that there is an information centre where you have your book shop; the management of the place is the same, you do not have two managers, there is one man; there are not two administrations but one.

We now know that the service is one the Canadian people want, because they are using these offices. The statistics I indicated before is proof of that. In the coordination of these activities, I think overall in the cost unit of a piece of information given to the public, be it a publication or information by word of mouth or letter, it has been reduced, and is much more effective. I think by coordinating these activities we can give the Canadian people a much better service. Certainly in opening these regional offices we have supplemented the work that departments are trying to do, because they do not have regional offices in terms of information. Only six departments out of 44 have information people in the field. If all departments who are now decentralizing were opening information offices the cost would be much greater than it is today.

Senator Yuzyk: Would it be possible at a later time—I am not asking for it today—to substantiate your statement that the cost per unit has decreased, at least in certain services?

Mr. D'Avignon: It would be very difficult to do so because the service did not exist before. People did not know where to go. They looked in the 'phone book, and sometimes wrote to Ottawa. I have met a lot of people who were utterly confused, with agencies and departments in the field, and they did not know who to see. Now there is one number in the 'phone books; they see Information Canada; they want information about a passport, income tax, family allowance, they call Information Canada and they will get an answer.

Senator Grosart: I am not greatly concerned with spending a lot of time on a $10 million estimate when we are dealing with $18 billion in this committee, so I am going to ask the witnesses if they will tell us what is the total cost of the product they are distributing.

Mr. D'Avignon: I would like Mr. Trickey to answer this.

Mr. Trickey: I am not clear. Which product are you referring to?

Senator Grosart: Your product is information, obviously. You are distributing information in various forms. One is in printed reports. What is the total cost of your product? You have to know. You are spending $10 million to distribute a product. What is the cost of the product?

Mr. Trickey: I am not sure that this will answer clearly what you have in mind, honourable senator, but in effect the total cost of our product is $10.8 million. This is what our budget is. This is the total cost of our product.

Senator Grosart: No, that is the cost of distributing your product.

Mr. Trickey: There is the cost of buying books. We pay $2.5 million roughly a year to buy the books that we put into our inventory and sell, or the books that we buy and distribute free. This is included in the $10.8 million. In addition to that, the cost of handling those books, of mailing them and so on, is included in the $10.8 million. If I can break it down into the three general areas, the cost of the activities that existed prior to April 1, 1970, that are operating now, for publishing and distribution, the audio-visual exposition services we have, and so on, was $6 million.

Senator Grosart: I do not want to get into that. I want to get what is represented by the $10 million. That is not the cost of your product by any means. You pay $2 million for books. I wish the total cost of information production of the Government of Canada was $2 million. It is the cost of producing a single report.

What is the total cost of information produced by the Government of Canada?

Mr. Trickey: This I cannot tell you.

Senator Grosart: We have to have it; we have to find this out. This is what we are here for.

Mr. Trickey: I can only talk of the cost of Information Canada.

Senator Grosart: Let us leave that for the moment. Perhaps I should say my own impression is that Information Canada is a completely misnamed department, or whatever it may be. It is not "Information" Canada. It is obviously, from what you have told us, a very, very small area of "Information" Canada. It is important for us, I think, to know what is the relationship between your sector and all government information. I would think it is less than 10 per cent.

I recognize that when Information Canada was set up it was decided not to take over the whole information job. Personally I think that was a mistake. As I say, it makes the name a misnomer.

Are you clear yourself as to what your responsibilities are in respect to initiating and distributing information about Canada as such? I am not at the moment talking about the individual press releases and publications.

Perhaps I can give you an example. Recently we had a Canadian "world first", a tremendous breakthrough; that was the launching of Telesat. It was inadequately communicated to the Canadian public. I was there; I checked out the information services. As you probably know, I have been in the information business all my life, and I doubt if I have ever seen a more inadequate public communications operation. What I am going to ask you is this: Would you see your terms of responsibility, anticipating Telesat Canada and saying, "This has got to be communicated to the Canadian people"? Is that within your terms of reference?

Mr. Trickey: Perhaps I might speak briefly to that. As I understood the role of Information Canada—Mr. D'Avignon can correct me if I am wrong, and I hope he will—Information Canada is primarily a responsive agency.

Senator Grosart: You have answered my question. It is primarily a responsive agency.

Mr. Trickey: It would not be responsible for this program.

Senator Grosart: I suggest you should change its name as quickly as possible. Anybody calling themselves Information Canada, which is a great and distinguished name, who will say, "Our role is primarily responsive" should go and have the act changed so that you are called something else. You are not "Information" Canada, obviously. Would you agree with that?

Mr. D'Avignon: There is another alternative, which is that we get involved in these things.

Senator Grosart: Let us pursue that. I was a little reluctant to do it, because you might and would be perfectly entitled to say it is a policy question that you do not want to get into. However, I would be very much interested in your views on your experience. Would you think it would be desirable for Information Canada to have its responsibilities extended to have responsibility for the total output of information of Canada as a government entity?

Mr. D'Avignon: Certainly some departments can do the job much better than we can in certain areas. In the scientific field, for instance, I do not think we could ever do the work Agriculture is trying to do. Most of their information people have a background in the sciences. In a department like Energy, Mines and Resources it is the

same thing. In other areas, such as Telesat, where a lot of people are involved, I think we should get involved. At the moment this is partially our fault. Maybe our mandate covers this, but there has been reluctance on the part of the departments to demand our services.

Senator Grosart: Of course.

Mr. D'Avignon: This is what we must overcome. We do have the people at Information Canada who could render great services as advisers and as developers of information programs, and we are willing and will be trying to develop a better relationship with the departments. I indicated before that our priorities were first to put the house in order, to develop commercial systems for our publications, to develop these information centres. Now we are at the stage where we feel we can render much better services to the departments.

Senator Grosart: Would you yourself be interested in a recommendation from this committee that your mandate be extended so that you would not merely be responsive, or would not have to plead with departments to help them, but would be in a position to initiate on your own—for which you would need a lot more money—the communication of information to the Canadian public that in your view was of paramount importance?

Mr. D'Avignon: I certainly would welcome such a recommendation.

Senator Grosart: You said, for example, you might have problems in the science field. I do not agree, either in agriculture or elsewhere. Let me give another example. I refer to the "Tea laser" breakthrough. It was the Defence Research Board at Valcartier. It was another world first. The Canadian public do not know about it, for a very good reason, namely that the Defence or Agriculture people are working for those departments, not for Canada specifically. I am glad to hear you say you would welcome an extension of your mandate, and I think this committee should look at this very, very carefully.

Let us come to the publications. As you know, the graphic arts industry complains continually that the government is in the printing business. Have you dealt with that complaint?

Mr. D'Avignon: Information Canada is not in the printing business. The printing orders are all handled by the Department of Supply and Services. We purchase our publications. We are some sort of publishers. We are not really publishers as you know them outside the Public Service. We have no authority over the content of a publication, but the copyright belongs to us. We represent the Canadian Government in the copyright area. We do the distribution. We are making recommendations now in terms of pricing policy and all that. The system under which we operate, which dates back quite a few years, is inadequate at the moment. First, we have to give away a lot of publications. This is never taken into account. As you know, Mr. Trickey mentioned it. We have to give free publications to libraries across the country. Members of Parliament, senators, and a lot of other people can, within 30 days of receipt of the daily check list, demand and get free publications. We are not in printing. To the best of my knowledge, I believe that only about 30 per cent of Canadian Government publications are now printed by the Canadian Government Printing Bureau. The balance is printed outside. We never order anything from a printer ourselves.

Senator Grosart: How is the price you pay the Government Printing Bureau determined?

Mr. D'Avignon: It is three to one, I believe.

Mr. Trickey: There is a Treasury Board publishing policy statement. I am not sure whether it is a directive, or exactly what it is.

Senator Grosart: A Treasury Board "minute"?

Mr. Trickey: In any case, it was set many years ago. It was determined at that time that the author department, the department that indicated the need for the publication in the first place and prepared the manuscript, would work with the Canadian Government Printing Bureau on the format, design and everything else, and would pay all of the set-up charges for the publication; that the distributing unit of the government in those days would pay the print run costs, which were in fact the variable costs of adding on the quantity required for the distribution unit. They would pay none of the printing set-up or anything else; they would pay only the print run cost, which is called the variable cost. Generally speaking, the selling price of the publication is three times the print-run cost. So, in effect, for a book that may, for set-up and so on and so forth, come out at a cost of $2.50, we might only pay $1, which is the print-run cost on our own quantity that we bought. Then when we bought it at $1 we would normally sell that book at $3.

Senator Grosart: That is what I meant when I said your product is not what you pay. The cost of your product is the total cost of that product.

Mr. Trickey: Divided by the number of units.

Senator Grosart: No, the total cost. The aggregate cost is what it costs to produce all those publications.

Mr. Chairman, I should like to ask our witnesses if they would get that information for us. In other words, it will be in the budgets of the departments. It is available. It will also be in the costs of the Government Printing Bureau. I think it is important that we have that information.

The Deputy Chairman: You are talking about the information service costs of all government departments. Would you refer to all government agencies as well, then?

Senator Grosart: Yes. All print sponsored by the Government of Canada—keep it to to print at the moment—the authority for which is the Government of Canada. It is scattered through the estimates. I could do it in ten hours.

Mr. Trickey: If I might speak to that for a moment, that is one of the difficulties the original task force ran into. I think it is a difficulty that Treasury Board is presently running into. The print costs for publications themselves are not clearly defined in the estimates. They are a part probably of the information services of departments. They are included in that. In some cases they are not included in the information costs, but they are included in a program costs, for instance, of a technical program or something else. With all deference to the honourable senator, I am not sure that that information is capable of being extracted from the estimates by me or by anyone else.

Senator Grosart: I am not suggesting that it is your responsibility. It is an intolerable situation if a committee cannot find out what it costs to produce all the print sponsored by the government. I know it can be done and I can give you a very simple way of doing it. Get the complete list of titles and then ask each department, "What did that cost?" You will get the information. They will hide a few, but you will get a pretty fair aggregate figure.

Take the monthly publication list or the annual publication list, which is called, I think "Canadian Government Publications". There is the list. There are thousands of items in the annual list. Now we want to ask somebody what that costs. I am not saying it is entirely your responsibility, but I think to some extent it is, because you have the overall responsibility in the information field. Surely, if you are going to advise the government or the departments of government you should be in a position to say, "You are spending too much money," or, "You are not spending enough money on this". I don't think you are going to discharge your responsibility if you merely say, "We are only going to worry about that small part of the product that we happen to buy." You have a copyright, I understand, on all of this. Here is your starting point. You are the copyright owners. Such an owner has the responsibility of knowing what happens to that copyright. Who has the copyright of "O Canada"? Who owns it?

Mr. D'Avignon: I am sorry, but I cannot answer that question.

Senator Grosart: I can tell you. The Canadian government owns it. The Canadian government is now considering—and you might want to check into this—putting that into the public domain. In fact, it has announced that it is going to put "O Canada" into the public domain. I hope you will tell them not to be so absurd. If they put "O Canada" into the public domain it means that the government no longer has the copyright and the public, anybody, can use it for any purpose at all. It could be used to advertise a detergent. You should advise them to hold on to the copyright.

Now, you own these copyrights and you have as the owner of the copyrights a responsibility to the authors of all of these—whoever has any kind of interest in it. This is an obligation of a copyright owner. This may be your starting point to extend your responsibilities.

I have been in the business of owning copyrights myself and I know the responsibility that goes with it. I cannot just say that I own a copyright and I am going to rake in what money there is. As owner of the copyright I have a responsibility to other people.

Mr. D'Avignon: May I make a point on this, senator? Maybe we can attempt to get what you want. One of the difficulties is that a lot of these things are not protected by copyright. They are free publications, pamphlets and books, for which the overall printing cost is probably over half the total expenditure of the government departments, and they never come through us except that they are available in our information centres. Anything that will be prepared by the Department of National Health and Welfare or other departments, such as changes to the income tax laws, are available. THe income tax forms, for instance, would be one of them.

Senator Everett: Mr. Chairman, I wonder if Senator Grosart's question could be addressed to the President of the Treasury Board when he appears before us. I know what Senator Grosart is getting at, and I think I know why he wants it. It seems to me to be a very useful piece of information in this inquiry we are conducting. I have a feeling that Treasury Board would probably have more clout in being able to get that information than Information Canada, although I must agree with Senator Grosart that perhaps it is information that Information Canada should be able to get. But, under the circumstances, I wonder if the question could be addressed to the President of the Treasury Board.

Senator Grosart: With all due respect, Senator Everett, I should like to press it here, because, unlike some other people, I am all for seeing Information Canada expand its activities. I think it has been forced by circumstances into a corner where you are doing a job that is too restricted in scope. You are called Information Canada but you are restricted in scope. Any self-respecting public relations man or information man would be ashamed of the restrictions that are placed on you.

As I say, I am very glad to have your suggestion that you feel that Information Canada should be charged with the responsibility of looking at all the information that is poured out. I have never talked to a newspaperman yet who did not say he would throw most of the stuff that is coming from the departments into the waste basket. Every editor I have ever talked to does the same thing. I do the same thing in my office. I shovel it into the basket. So does every senator and every member of the other place. This is surely kind of thing that Information Canada was intended to stop. It is endless duplication. The idea that a public relations man in a department should distribute by the thousands every statement a minister makes is ridiculous. It is the kind of thing that concerns me and which Information Canada has not and is not doing anything about. I presume it is because your wings have been clipped.

The Deputy Chairman: I wonder, Senator Grosart, if we could establish whether Information Canada can respond to this question.

Do you agree that you can do this? If you can, then perhaps we can establish a few more grounds rules as to the information that is required. If you feel that you require time to determine whether this information is gatherable by your department, perhaps we could have a reply tomorrow when you appear.

Senator Grosart: I don't think they will have it tomorrow.

The Deputy Chairman: I did not mean the information, but whether in fact that information could be obtained.

Senator Grosart: I have another question as to your status. My recollection is that originally you were under the Department of Supply and Services when Information Canada was set up. Were you under Mr. Stanbury?

The Deputy Chairman: They were under a minister without portfolio at the time. It was set up under Supply and Services at the time, but the minister in charge was a minister without portfolio.

Senator Grosart: Were you ever under the Secretary of State?

Mr. D'Avignon: Never really under the Secretary of State. We are under the Department of Labour now.

Senator Everett: Why are you under the Department of Labour now?

Mr. D'Avignon: Our minister is the Honourable John Munro, who happens also to be the Minister of Labour, but he has two portfolios.

Senator Grosart: He is not the Minister of Information, as I understand it, surely.

Mr. D'Avignon: No, he is the minister responsible for Information Canada.

Senator Grosart: That is not a portfolio; if it were, it would be part of his title.

Senator Everett: This vote comes under Labour.

Mr. D'Avignon: Yes.

Senator Grosart: It is listed as "Labour" in black face type and Information Canada in light face type as part of the department. Senator Everett asked why. Does anybody know? Perhaps it is not a fair question to put to you.

Mr. Trickey: Information Canada is a peculiar beast; it was created through an appropriation act.

Senator Grosart: That was another serious mistake.

Mr. Trickey: It was designated by Order in Council as a department pursuant to section 2 of the Public Service Employment Act. It was designated a department for pruposes of the Financial Administration Act, and the minister responsible for reporting on the activities of Information Canada to the house was designated initially, I believe, as Mr. Stnabury. Then Mr. O'Connell was the minister. At that time he also carried the labour portfolio. It was a decision, just a decision, that all of the departments and/or agencies designated as departments under that specific minister would be printed together in the estimates. I think that is about the size of it.

Senator Grosart: You have put your finger on my question when you say "the minister responsible for reporting". Who is the minister responsible for the *activities* of Information Canada?

Mr. Trickey: The Minister of Labour, but as minister responsible for Information Canada not as Minister of Labour.

Senator Grosart: I will not argue that; it does not matter. So you have a department under a minister who is a member of the cabinet. Again I would ask you: Would you not think it was an improvement in your status if you were a crown corporation, with that extra degree of independence? From your experience would you find this helpful?

Mr. Trickey: If I may speak to that, Mr. Chairman, and I think Mr. D'Avignon agrees with me, probably Information Canada would be better served if it were a department created through an act of Parliament setting out clearly the responsibilities of the department and constituting it as a department of the government under its own act.

Senator Everett: Why do you say that, sir?

Mr. Trickey: I think this would clearly define our responsibilities and the responsibilities, if you like, of information services in departments, and our relationship vis-à-vis departments, vis-à-vis the Treasury Board and also our relation to Parliament itself. I think that there would be a clear definition.

If I can use a simple example, we are a department set up for certain purposes, but all we have as our authority to function is the vote that appears in the estimates each year.

Senator Grosart: But under the Financial Administration Act these crown corporations are treated as departments.

Mr. Trickey: I am not sure that a crown corporation would necessarily improve or diminish our ability to function.

Senator Grosart: What would your reaction be if somebody asked you for information. on a certain subject critical of the government? Say at one of your inquiry centres I were to say, "I don't like government policy in regard to LIP. I don't want to hear the government's justification for LIP. I want the 'cons'. Will you prepare me all the criticisms you can find that have been made of the LIP program?"

This goes to the question of not being a crown corporation and not having that independence but of having to report through a minister who naturally would have another view of dissemination of critical information, which, as I am sure you know, goes to the heart of the question of how a government service should be structured.

Mr. D'Avignon: If it is information we have available we will make it available to the public, because we deal in facts. We do not deal in ideas. In our communications with the Canadian public we give them information on the things we know are so with respect to government programs. If the information you want is critical of the government and is available we would probably make it available to the public. We would make it available, if it was something released by a department, such as reports made about LIP programs not functioning in certain areas, we would release it.

The Deputy Chairman: Opposition speeches in the house?

Mr. D'Avignon: Of course.

Senator Grosart: But you said, "if the department had released it," and of course this destroys the whole thing because departments do not release this kind of information.

Mr. D'Avignon: They do. We have had surveys where the results were that certain government programs were not accepted by the public in certain areas of the country, and these are available.

Senator Grosart: I have not seen any.

Senator Carter: I am going to pursue a somewhat different line. When Prime Minister Trudeau issued his statement of policy about Information Canada on February 10, 1970, he gave a number of reasons for setting it up, and he said that the third reason was to be able to learn better the views of the Canadian people. The unit is therefore designed not merely as a vehicle for the dissemination of

information but to provide better systems for Canadians to make known their viewpoints to their government. Can you tell me what you have done along these lines, and what you are doing?

Mr. D'Avignon: One of the purposes of our regional offices is exactly for that purpose. We opened our Winnipeg office in early 1972, our Toronto office in July or August last year, and the Montreal office in the fall. Now we have just opened the Halifax office and Vancouver wes opened in the spring of this year. We hope to do this, but we cannot build a machinery like that in a few months. It is working now and we sponsored some projects in 1971 where summer students went out into eight or nine areas of Canada and reports came out which were published. Some of these reports were critical of some of the government activities in these areas, and some of them were very favourable to certain programs in these areas, and these have been reported, and the reports were published and are available to anybody who wants them. We hope to do more or that.

Senator Carter: Yes. I am not too clear about what you said, though. Have you any plans to get the views of the people on certain things? Do you initiate certain programs, like polls or researches, to find out what the people are thinking, or is it just a haphazard business where somebody says, "I have a viewpoint", and you write it down? Do you have a planned program of collecting information on different topics?

Mr. D'Avignon: We have a program that started about a month and a half ago in Manitoba and in Nova Scotia, and this is exactly what they are doing, giving information to the people and finding out what they think about it. There will be a check at the end of the summer. A research group will go around and find out and analyze the results of these services.

Senator Carter: But that is not my interpretation of what Prime Minister Trudeau was talking about, although it could be part of it. What you are saying is that you are relating the feedback from certain information that you give out about certain programs and the feedback concerning these programs; but what about viewpoints on other subjects apart from programs?

Mr. D'Avignon: We do get these things through our regional offices, and very shortly we will be in a position to analyze the feedback and make it available. It is a matter of developing the machinery to do it.

Senator Carter: But the only planned program you have at the moment is in relation to information that you give out in relation to government programs, and that is the only feedback you have any plans to accumulate at the moment.

Mr. D'Avignon: Not necessarily, but through our regional offices people do come in with complaints, and not necessarily wanting information, and these are noted and will be made available. We could make available to you a list of the research that has been done since 1970 in this area.

Mr. Trickey: If I might add one thing, senator, when people do come into our offices with complaints about the program or about a particular activity of the department, or something else like that, and they have a legitimate complaint, then that complaint is turned over to the department and we make known to the department that we have received this as a factual statement in relation to a particular program. We do not go beyond that, however. In this way there is this response mechanism started, if you like, but we have not recently gone out to initiate any sort of attitude surveys in relation to any particular policy, program or anything else of the government.

Senator Carter: As a government agency, how do you go about making known to the people the services you can provide them with? How do you let them know what services are available and how they can take advantage of them?

Mr. D'Avignon: We have advertised the opening of our regional offices. Possibly we have not let the people know well enough because our budget has been rather limited for this type of thing. But we use telephone directory listings and wherever we open an office we advertise it. We advertise new publications. But I should say that the money spent on advertising for Information Canada is very small. Up to seven or eight months ago we did not even have an information officer at Information Canada. But we are trying to develop this part of it now.

Senator Carter: So that people in various parts of Canada will know what you can provide for them?

Mr. D'Avignon: That is right.

Senator Carter: Again referring to Mr. Trudeau's policy speech in the House of Commons on February 10, in giving his first reason he said that Information Canada will promote co-operation among federal information officers now operating in mutual isolation and that the object would be to increase the effectiveness as well as to save money by reducing duplication in the use of staff and equipment, and by better joint use of the government information resources. Then later on he said, "To achieve these objectives, we plan an organization whose new staff, exclusive of three component units being transferred from other government agencies, will total less than 150." The original concept of Information Canada was a compact unit of 150 new employees plus whatever you might take over from other agencies. Now, can you tell me, first of all, what is your total number of employees to date for Information Canada?

Mr. Trickey: If you give me a moment I can turn it up. You want the total number of employees overall?

Senator Carter: I want both figures.

Mr. Trickey: All inclusive the total number of employess contemplated for 1973-74 is 618. Of those for the new functions created at the time we were created the number of employees is 244 as opposed to the 150 you were referring to. Of that 244 there were originally something like 22 positions for inquiry centres and these now amount to roughly 113, and there were something like 24 in the communications area and these now amount to 29. So that the significant increase in personnel in new functions from the time of our inception until now has been in the inquiry centre area. I would like to add that there is a certain basic nucleus in the inquiry centres that do not fluctuate with demand. There is no variation. There is a manager and a stenographer and this type of thing. But we have developed a grid with the Treasury Board that as the inquiries come in to the inquiries centres and the

demand increases, then we can come back to them and request additional resources based on this grid. I am not exactly sure of the formula, but it is based on a certain percentage per telephone inquiry, a certain percentage per written inquiry. These are calculated to come out to the calculated number of man-years or man-months required to meet this sort of demand, and this basically is the reason for the increase in the inquiry centre's function. This is really the information dissemination function of Information Canada other than the dissemination of publications.

Senator Grosart: If I might ask a supplementary on that: Is it not true, however, that if you are going to expand this inquiry operation and do the kind of job you want to do, and, I might add, the type of job that should be done, you are going to have to have a tremendous increase in the number of employees?

Mr. Trickey: I might say this is conceivable providing we remain on a one-to-one relationship with the public. We have a concept that we are developing and are attempting to develop through these two tests that we are running in Manitoba and Nova Scotia that we can tap in to community information services, library information services and so on and rather than having us remain on a one-to-one relationship with the public, we may well be resource centres to feed them with the information they require to inform their community or the people approaching them and we may well be able to service more people with the same number or with a slightly increased staff. That is, by developing this whole concept so that we are no longer on a direct call basis with the inquirer, but perhaps by telephone call to a community information centre that we have supplied with information so that they can answer the question on a one-to-one basis. We think we might be able to peak this out in three or four or five years. It is conceivable, if it works, that we could even have a reduction in staff in this area.

Senator Manning: Mr. Chairman, if I may interrupt the proceedings for a moment, we have a very distinguished group of visitors in our committee at present and they have to leave for another appointment at 11 o'clock. I wonder if I might introduce them.

The Deputy Chairman: Certainly.

Senator Manning: This delegation is from the Province of Alberta, from the Legislature of Alberta, and they are members of the Commonwealth Parliamentary Association. Their leader is Mr. William Diachuck, Deputy Speaker, of the Alberta Legislature, Mr. A. J. Dixon, the former speaker of the house, Mr. Ruste, Mr. Buckwell, Mr. Jamison and Mr. Young. They are in Ottawa for a couple of days and visited the Senate last night and, as I say, they are visiting us in committee this morning.

The Deputy Chairman: Thank you, Senator Manning.

We are certainly very pleased to have you visit our committee this morning, and we welcome you as we did in the Senate chamber last night.

Senator Carter: Could I ask for a breakdown of figures? What was your original figure for the information unit itself?

Mr. Trickey: In the organizational state?

Senator Carter: What is your figure today?

Mr. Trickey: The man-years utilized in the inquiry centres in our regional operations for information purposes is 113.

Senator Carter: But what is your total strength? How many employees are attributed to Information Canada apart from the agencies you took over?

Mr. Trickey: 244.

Senator Carter: And then your total employees including everybody?

Mr. Trickey: 618.

Senator Carter: Could you give me a breakdown of the figures across Canada? How many are in head office? How many are in the different regions and cities? What breakdown can you provide?

Mr. Trickey: I do not have it with me, but I can get it for you.

Senator Carter: You say the total number now on the strength of Information Canada is 244. Mr. Coates, a member of the other place, put some questions on the Order Paper, and speaking there a year ago, on June 12, he said:

> In other words, the total number of information officers has increased by approximately 125 since Information Canada was established, while at the same time Information Canada . . .

that is you . . .

> has 354 full-time employees, plus 162 employees involved with expositions.

You say now 244. Is that compared with 344 a year ago? Have you cut down by 100?

Mr. Trickey: No. I am not familiar with the particular question. I would have to read the question and the answer given. I am not sure what year he was talking about, what year was reported. I am saying that for the new functions in Information Canada I was comparing 150 with 244. On the old functions of Information Canada, including expositions, we had something like 370 in 1970-71, and we have something like 374 in 1973-74 predicted.

Senator Carter: Mr. Coates was referring back to the Prime Minister's statement that the object will be to increase the effectiveness as well as to save money by reducing duplication in the joint use of staff and equipment, and better joint use of government information resources. Mr. Coates was saying that the result of the inquiry that he put on the Order Paper of the other place, which is official information, showed that, instead of reducing the total number of information officers in all departments, the number had increased, since Information Canada had taken over, by 125, and Information Canada itself had gone up from the 150 employees envisioned by the Prime Minister at that time to 354 full-time employees, plus 162 employees involved with expositions, as shown in a return he had received just prior to June 12, 1972, a little more that a year ago.

Mr. Trickey: I think I can come close to an answer on this, if I might have your indulgence. In relation to Infor-

mation Canada itself, I believe it was probably a return that had to do with the year 1971-72, because the 1972-73 figures were probably not available at the time that response was made. In the Information Canada return that would have been sent in at that time, there were 166 transferred out into expositions in that year, and they were separated off. The overall total of Information Canada employees in that year was 325. That included publishing employees as well.

Senator Carter: Why would it include the publishing employees? These were the people you took over from the Queen's Printer, and so on, were they not?

Mr. Trickey: Yes.

Senator Carter: Then they should not have been included in Information Canada, because the 150 was exclusive of whatever you might take over from other agencies.

Mr. Trickey: That is right. Again, I will have to look at the question, if I could have the question number and the answer and date.

Senator Carter: You can find that. The date is June 12, 1972, when Mr. Coates raised this, so it would be previous to that.

Mr. Trickey: I would like to come back and display it for you. I will not promise it for you tomorrow, but probably next week. In relation to the increase in the number of information officers in the government over this period of time I do have some information, which might throw light on this whole problem. In the Public Service as a whole, as at May, 1973, in a total of 39 departments there are 1,035 information officer positions; there are some 424 vacancies and about 611 on the job.

Senator Carter: Are these today's figures you are giving now?

Mr. Trickey: These are at May, 1973.

Senator Carter: Just let us keep the record clear. Mr. Coates refers to these two figures, and says:

> I was informed that prior to Information Canada being established there were 937 information officers in the public service. In answer to the second part of the question I was informed that there were 1,062 information officers in the various departments of government.

That is 937 and 1,062 compared with the figures you have today.

Mr. Trickey: As you know, every day there are people in and out, and these figures were taken at a point in time. There are some vacancies involved. The 1,062 could have been a valid figure for that date, at the time it was reported. These are for May, 1973. At the moment there are 424 vacancies in this area, and 611 personnel on the job, according to the figures we got.

Senator Everett: This is all government departments?

Mr. Trickey: Yes, for 39 departments. The whole information community is in the process of being reclassified, and so on, and included in this there are 132 positions that were formerly in other categories in the classification system; they were clerks, administrative designations and so on. They were transferred to the information services group as a result of Treasury Board classification studies. This accounts for some of this overall increase, just a reclassification of people, the designations of people.

Senator Everett: Does this include the Information Canada personnel?

Mr. Trickey: Yes, the information officers of Information Canada.

The Deputy Chairman: How many of those would there be?

Senator Everett: The establishment is 1,032, is it?

Mr. Trickey: It is 1,035.

Senator Everett: Is that purely information officers?

Mr. Trickey: Yes. Those that are designated in the classification system as information officers.

Senator Everett: So there are additional personnel that buttress those information officers?

Mr. Trickey: Yes.

Senator Everett: Would you have any idea what the total for the 39 departments is?

Mr. Trickey: No, I do not.

Senator Everett: Would it be possible to get that?

Mr. Trickey: It might be. I will inquire.

Senator Everett: Perhaps I could make a request, if Senator Carter agrees, for that additional information.

Senator Carter: Yes. I would like to ask one more question. You have taken over the Queen's Printer and their sales. Can you give me the figures for the Queen's Printer sales in the last year before you took over, compared with the latest figures?

Mr. Trickey: No, I cannot today. If you will bear with me for a moment I will see if I have them, but I do not think I have them that far back.

Senator Carter: I want to know if the sales have gone up or down.

Mr. Trickey: I believe they fluctuate. I believe they went up and peaked in Centennial Year with a fairly significant peak, then they dropped and then have come back up again. I do not think I have them here, but I can get them for you.

The Deputy Chairman: I wonder if we could have that information tomorrow?

Mr. Trickey: Yes.

The Deputy Chairman: Would that be all right, Senator Carter?

Senator Carter: Yes. What are the latest figures on government reports? What is your best seller among government reports now?

Senator Grosart: Senate reports!

Senator Carter: Very likely.

Mr. Trickey: I cannot answer that question.

Senator Carter: I can understand that you were not properly organized at the time, but the Report of the Special Committee of the Senate on Poverty came out shortly after Information Canada had taken over the distribution, and we had a terrible time, because apparently Information Canada was not doing any promotional services. The book stores in Toronto and other places were sold out. They sold like hot cakes overnight and the book stores could not get any satisfaction from Information Canada. There was really a schemozzle there for several weeks. I wonder if you have cleared that up now. Before Information Canada took over, the Queen's Printer did promotional work through the book stores and contacts throughout the country, so that people knew these reports were available, as well as other government publications. Are you doing that kind of promotional work?

Mr. D'Avignon: If the committee would like to ask questions on this, I would be very pleased to bring Mr. Claude Beauchamp, the director of publications here. None of us were there at that time and we really do not know. I think generally today there is no problem. The department usually is responsible for the first run. In the case of a Senate report perhaps the Senate is; I do not know who is responsible. If they order 5,000 copies, this is all we have. Then we are responsible for the reprint, depending on how they sell. I guess we can have no idea how these things will sell, what the demand will be. Mr. Beauchamp will have all these details; he knows the business very well.

Senator Everett: It would be very interesting, because with Senate committee reports the Senate pays the entire cost of printing the report, and I believe the initial run.

Mr. D'Avignon: Yes.

Senator Everett: Part of that run is sold through the Information Canada book stores.

Mr. D'Avignon: That is right.

Senator Everett: It would be interesting to know what happens to the revenue. I am not talking about the revenue to Information Canada, which is distribution revenue, but rather the revenue that Information Canada pays to the Queen's Printer, whether that goes back as a credit to the Senate, which has paid the full cost at this point, or whether it goes as additional revenue to the Queen's Printer.

Senator Grosart: The Senate gets nothing.

Senator Everett: I bet it goes back to the Queen's Printer.

The Deputy Chairman: Senator Carter, would it be all right if we brought Mr. Beauchamp here tomorrow? He could answer these questions, could he?

Mr. D'Avignon: Yes.

The Deputy Chairman: Would that be satisfactory?

Senator Carter: Yes.

Senator Yuzyk: Following the reference to the best sellers, could we get the ten best sellers, say ever since Information Canada took over this field, to get some idea of public interest in some of the publications?

Mr. D'Avignon: Is the honourable senator referring to all our publications, or just government reports? We do sell things such as "Canada Year of the Land" and "Birds of Canada". They have been perhaps not big best sellers, but the best sellers for a number of years.

Senator Yuzyk: I am interested in all publications to get some idea of the interest of Canadians in various fields.

Mr. D'Avignon: That will be prepared.

Senator Grosart: Perhaps we could have a summary list showing amounts of, let us say, 50 or 100, and get some idea, rather than just the ten best. Perhaps we could have a list of the sales.

The Deputy Chairman: Is that possible?

Mr. D'Avignon: Yes.

Senator Manning: I would like to pursue two lines of thought. First, I have a few comments on the specifics of the operation of Information Canada. First I would like to take up a moment or two with what I think is the far broader concern, which is very frequently expressed at the present time. Could we get further information on the conclusions of Information Canada as to their success or lack of success in this field of co-ordination of government departments with operation of Information Canada itself? Perhaps I could make a couple of comments on this to clarify the information I would like to get from the witnesses.

Broadly speaking, the government is pretty well restricted to three alternatives in its means of disseminating information. One is to make this the responsibility of the various departments of government, with each one responsible for handling its own information services. The second is to have one central information agency, which I think is what a great many people thought Information Canada was going to be. The third is what it apparently turns out we have, a combination of the two, where the departments are still in the field of disseminating information itself, and this is being supplemented by, or to some extent perhaps replaced by, the services of Information Canada.

If I interpret the public concern correctly, it is in this latter area.

Has this experiment, if you look at it as an experiment, been successful in eliminating duplication in more efficient dissemination of information and more efficiency from the standpoint of costs involved? I would be interested to know the conclusions you have come to in the experience you have had to date, particularly in the area of your attempts to co-ordinate your activities with those of government deparments in order to achieve the objectives that were spelled out by the Prime Minister, and so on, which have already been referred to.

Mr. D'Avignon: Generally, I would like to break your question into two parts, senator. First, in Ottawa I must admit that the results have not been what were expected. There has been reluctance on the part of departments and agencies of the government by their public relations groups or information groups to request our services. On the other hand, it has been quite successful outside of Ottawa. This is where we have really made some prog-

ress. i think we are at the stage now where this resistance has been broken.

we have, as I indicated before, the council of four directors. We meet frequently. We talk about joint programs. We go into joint programs and we could give the committee a list of activities where we have worked with departments, and these activities are quite substantial.

So the results outside Ottawa in the regions have been great. We use the services of departments when they are there. We use them in an advisory capacity. It works a little bit the other way around than it does in Ottawa, because we are not reluctant to ask departments to work with us. We welcome that.

Certainly, I feel that great progress has been made when we consider that half a million people have been coming to our offices. We work extremely well with the departments, not really with their information people in the field but with their operational people who in 42 per cent of the cases have to give us information. We then transmit that information to the taxpayer. We only answer at first hand 58 per cent of these inquiries. The balance we have to go to the department for because we do not have the information ourselves. We hope through this back-up system to have that very shortly. We are developing a system in Ottawa and there will be a communications link between our information offices, our inquiry centres, and this back-up centre. This will relieve the departments of a lot of work and the access to the information is much easier than ever before. It does not replace anything that existed before, so it is difficult to make a cost comparison. The service did not exist before so it was not costing anything, but people were not getting any information.

Senator Manning: With respect to the tremendous volume of information that the individual departments have been producing for years, to what extent has their distribution of that kind of information been reduced by virtue of their providing you with reports and information, and Information Canada being the distribution agency?

Mr. D'Avignon: Mr. Chairman, I cannot answer that question. Mr. Trickey mentioned some questions on information officers before. This is all we have. We know we are giving a service to the population in these provinces where we operate. We know that there is a great demand on our service. Presumably, if we did not exist it would take a lot longer for these inquiries to be answered, but people would finally reach the department that they wanted to contact and they would have to answer these things and would have to build additional resources where we have regional offices.

Senator Manning: I am concerned from the economic angle for another reason, Mr. Chairman. If I might just throw this in as an illustration, I went through this exercise a number of years ago at the provincial level. We made an attempt to co-ordinate information services into one department in order to avoid the duplication, and so on, and in order to save money and to do all of the things that we have heard Information Canada is going to do. It just simply proved to be impracticable.

You have to have a system where departments are held responsible for information under strict supervision, almost to the extent of what would amount to an information auditor who rides herd on the budgets and expenditures of individual departments for information. Our conclusion was, for what it is worth, that the best control is financial control. You say to a department that it has X dollars to spend on information services. Let the department decide the priorities, what is most important to give to the public on its operations. So long as there is no end to the supply of funds it is natural that the department will go on producing a whole lot of stuff which is of little interest to very few people.

But the idea that you are going to have a separate agency, not in complete control And with departments still doing some of the information services, in our experience just simply did not work. It would not work, no matter how hard you tried. It would certainly be much easier to control these things at the provincial level than at the federal level, because the volume is so much smaller than you face federally, but we were forced to the conclusion that it was impossible to control this where you have a dual system. So, largely, we went back to making each department responsible under a central supervisory body, which as far as possible eliminated duplication and controlled costs.

Senator Grosart: With your permission, Senator Manning, I wonder if I might make a comment there, because some years ago I performed almost the same kind of inquiry in another province. After a fairly extensive study of systems in other jurisdictions, particularly New York State, I reached a different conclusion, which was that the ideal way is to have complete central control of staff, where the central body—in this case, Information Canada—would provide the information people to the departments. It would decide what the departments need and it would then supervise the work of those information offices. This is the New York State system, which has the advantage that the supervision and assessment of the work is done outside the department so that each department is not just confining itself to one small area.

For example, in agriculture their main interest is to communicate to farmers and not to the general public. This is the sort of thing you get into in the price of beef. They are only concerned with one aspect of it. That is another alternative. That has been successful in some jurisdictions. It gets away from the essential fact that when you appoint a public relations man, the head public relations man becomes the personal press agent of the minister.

Senator Manning: I think that is true. I am not suggesting there are not other alternatives, Mr. Chairman, but I do say that you have to have either one thing or the other: either you have to make the departments responsible, under some central control; or else you have to have a central information agency which is solely responsible, and you let them deal with the departments. But you cannot have a system where the public is dealing with both the departments and the information centre, and save money or be more efficient, because you just cannot eliminate the duplication.

For example, with the highway department producing thousands of highway maps and making them available to the public, the average citizen wanting a highway map would not write to the information centre; the average citizen would write to the department unless he was aware of the centre. So unless you can bring the central

agency to the attention of the public, which is a matter of education, you have that additional problem.

I am not saying that a central agency would not work, but I am submitting that a dual structure, allowing departments to operate their own information services while having a central agency such as Information Canada, cannot work from the standpoint either of great efficiency or of economy, because you cannot eliminate the duplication.

Senator Grosart: I agree wholeheartedly.

Senator Manning: I raise that point, because I feel it is a great question in the public mind. How the agency operates from an administrative point of view is another question entirely, but in respect to the details spelled out by the Prime Minister to cut down on information and be more efficient, I submit you have to go to the point where Information Canada is the agency for Canada, or else you have to go back to the departments themselves and under a much stricter supervision than probably in the past.

Now, if I could touch on a few more points, could you tell us roughly the breakdown in your total information costs or distribution costs as between the unsolicited information which Information Canada sends out and that which you send out in response to requests? How great is the volume of material that you send out unsolicited?

Mr. D'Avignon: We do not issue press releases and we do not send out information that is unsolicited. The departments do that. All information we give is solicited.

Senator Manning: There is no unsolicited information?

Mr. Trickey: With one exception, although it has been solicited information in the past, and that is books or publications and so on that we do send free of charge to repository libraries. These have been solicited in the past, though. It has been agreed by the national librarian and so on that these libraries automatically should get copies of government publications.

Mr. D'Avignon: But it must have been solicited at one time in order for them to be on the mailing list.

Senator Manning: Might I suggest that one area of co-ordination where I would feel Information Canada could do tremendous work on is in this matter of unsolicited material which is sent out by the departments. Frankly, I think this is the greatest field of wastage we have in the public information services. I know that to be so in the private sector, business organizations with which I am connected. As Senator Grosart said, around this building, in our offices, there are literally hundreds of unsolicited reports and statements which are sent, and although all of them undoubtedly are of interest to certain people and certain departments, in nearly every case many of them are of little or no value or interest to the people getting them. Why would it not be practical as part of the co-ordinating work of Information Canada to provide these firms and individuals, even I would say the members of the Commons and the Senate, with a list of reports or major publications that are available? They could simply check off the ones they are interested in and return the list to Information Canada, or wherever you want, and let that be the distribution list?

When I first came here I was appalled that a huge stack of reports came to me, one-third of which had no value to me at all. I inquired whether I could have a check list, and was informed that it could not be done that way and that I had to have all of them. Surely, that is the most stupid inefficiency?

I think that in terms of co-ordination Information Canada could take the lists of people to whom the departments of the Government of Canada send all this unsolicited material and provide those people with check lists—I mean the business firms, the research firms, and so on. I know that in our case we are in the research business and we use a lot of government publications, but all I want is a list to check off reports that I want to get all the time.

The Deputy Chairman: Mr. D'Avignon, I think you answered that partially before. You said there are certain publications that ought to go to all the members of Parliament, and I would be reluctant to question that.

Mr. D'Avignon: Our publications never go automatically to the members of Parliament, Mr. Chairman. You do get a check list for the things we publish ourselves. We have arrangements with some public libraries and university libraries whereby they receive copies of everything we publish. That is automatic. But senators and members of Parliament get a check list, but they don't get the publications unless they request them.

Senator Manning: I am talking about the departments. In your co-ordination work with the departments, if you could take that one step and become the agency to distribute a check list for them and stop this unsolicited distribution of literally hundreds of thousands of dollars worth of reports, material and so on that are never read but are simply thrown in the waste baskets, that would be a practical step towards saving a great deal of money.

Senator Grosart: Almost daily all members of Parliament—and I don't know how many other people—receive mimeographed copies of the ministers' speeches in the house at the same time as they receive the printed speech in *Hansard*. That is one example.

Senator Everett: I think Senator Manning has made an excellent point. My supplementary is this: Does Information Canada advise Treasury Board of the information services provided by other departments, as to whether they constitute a duplication, or as to whether their methods of distribution are sound, whether the volume of information could be reduced, whether the amount of money being put in to departmental information services could be sent more efficiently or reduced? It seems to me if we have to have this dual authority in information, Information Canada should be in very close rapport with Treasury Board, if Treasury Board is the only method of control we have—and I am not saying that we do not move to either Senator Grosart's position or Senator Manning's position. To be in between is probably the worst of all. But having said that that is about where we are now, it seems to me that the advice of Information Canada on the information business of government to the controlling agency, which appears to be the Treasury Board in this particular situation, would be crucial, and I wonder what you are doing about that.

Mr. D'Avignon: We only provide information or advice to the board when requested. Certainly I agree with Senator

Manning and the comments you have made that financial control is really the best way to control anything. I fully agree with what you have said and I wish Information Canada could play a role in the determination of staff to other departments and the determination of budgets for information services in other departments. But it is a role that we do not play.

Senator Everett: But you do wish it is a role that you could play?

Mr. D'Avignon: Yes.

Senator Everett: And you feel that Information Canada could play a role that would be quite effective?

Mr. D'Avignon: Yes.

Senator Grosart: On that point, could I just point out that in the objectives stated for Information Canada in the Blue Book, the *Estimates*, and which is taken from the Order in Council at the time of the Appropriation Act, it states this:

> *on request*, to co-ordinate federal information programs and assist departments and agencies to improve the quality and efficiency of their information services.

Do you feel your operation would be more efficient if those words "on request" were taken out and if you were given the responsibility?

Mr. D'Avignon: Our mandate would probably have to be changed a little. I fully agree with all the remarks that have been made about all these publications that arrive on your desk. I get them myself, and I must admit I probably do exactly the same thing with them as you do.

Senator Grosart: This "on request" was a compromise; we all know that. It happened because departments with built-in establishments said, "We are not going to have any central body telling us how to put out the information." Now, if your mandate were changed by the elimination of those two words, "on request", could Information Canada co-ordinate, to use the exact words, "federal information programs"?

Mr. D'Avignon: Undoubtedly, we could.

Senator Carter: Mr. Chairman, on the point raised by Senator Manning and referred to by Senator Grosart and Senator Everett, I am inclined to be in the same position as Senator Everett in that we get a huge pile of papers every day, material that comes from the departments, ministers' statements, copies of speeches in the house, speeches that they make outside—and they go all across the country making speeches—and announcements and press releases that pile up, and you cannot possibly get the time to look at it all. One hopes that one will get the opportunity of looking at it some time. But what would be useful to me along with the check-list that Senator Manning referred to, would be if, instead of getting this whold speech, I could just get the topics dealt with in that speech—and it could all be put on one page and would take probably only half a dozen lines—and if he said something I wanted to pursue, I would know what I wanted. Something like that would be useful to me instead of having this mountain of stuff that continues to pile up until I have no place for it and then it goes in the wastepaper basket.

The Deputy Chairman: Then, you just move, Senator Carter.

Senator Grosart: There is an excellent suggestion here, going a little step beyond the check-list, which would entail a big job but which would be of tremendous use to many people, including the press, libraries and parliamentarians. I am speaking now of a daily annotated list of information put out that day. For example, if a minister makes a speech in which he announces policy or says something other than that the candidate on whose behalf he is appearing is a fine fellow—which we don't need—such an annotated check-list would be a tremendous achievement. This is the very thing that is being done in the science and technology information service, which has another purpose; but it is something that could be copied by the federal service, which is probably turning out more information per capita than anyone else in the world.

Senator Carter: What I have in mind is something like the index to *Hansard*. If you are interested in a particular subject or a particular speech, then you look up the index and that will tell you where to find it.

Senator Manning: Mr. Chairman, I raised this question because if Information Canada is going to continue as a major government agency, it might be that this committee, through its studies and recommendations, could strengthen the hand of Information Canada to take action in some of these fields where it seems so obvious that literally millions of dollars of savings could be effected over a period of time. I think it is only realistic to recognize that you are not going to get government departments, left to their own initiative, to cut down on the distribution of publications. It is a matter of pride to them that they distribute half a million reports, and they think that that enhances the status of the department. The fact that 400,000 out of that 500,000 are thrown in the wastepaper basket is overlooked completely.

I think this kind of thing has to be controlled by a central agency that will look at it objectively and say, "We want to do everything we can to increase the dissemination of information, if it is being used, but we are not interested in sending out information, to offices and people just to throw away, all at the taxpayers' expense."

Now, if I could come to a couple of specific points. You mentioned earlier the audio-visual services, and I believe you said that you do this work for departments and that you recovered the cost by charging those departments. Have you any information to show that Information Canada's production of this audio-visual material is being done more economically than or even at a comparable cost to what the departments could do it for themselves?

To illustrate what I am getting at, let us say you produce a film for the department, and the cost of production is $60,000 which you recover from the department. It may look like a very efficient operation, but if that film, or a comparable film, were being produced in the department itself, for, say, $50,000, then that operation would take on another complexion altogether.

Mr. D'Avignon: Mr. Chairman, let me say that we do not produce films. That is the National Film Board's responsibility. We produce exhibitions and expositions. We are the sole supplier of stands, buildings, or whatever else it may be for the Department of Industry, Trade and Commerce.

For any trade fair, such as the big one in Chine last year, we do the job. For the Canadian Government Travel Bureau expositions in the States we will put up the stands and whatever Canadiana there is in it. I think there is definitely a saving of money where you only have one shop, and we have a shop which hires carpenters and electricians and people like that. This is one area that covers your previous recommendation that one agency should be responsible for this. Information Canada is the only agency that does that. We are on a cost recovery basis. Our rates are not low, but our quality of work is excellent and we win prizes all over the world. And we employ Canadian people. I used to be associated with the Department of Industry, Trade and Commerce and very frequently I found that it would have been cheaper for that department to have the stand built in Germany if the exhibition were in, let us say, Leipzieg, but the quality probably would not have been as good. The trade-off is that we hire Canadian people to do this.

Senator Manning: The cost might be higher but you feel you are getting better quality.

Mr. D'Avignon: That is right. In addition, you have more control over what you have, since the people from External Affairs and from Industry, Trade and Commerce can work more closely with our people in Ottawa on the design of the stand and as much of the work as possible is done here.

Senator Grosart: Mr. Chairman, could I ask a supplementary? Has there been any change in this, or have you merely taken over one agency of government?

Mr. D'Avignon: That is right.

Senator Grosart: So there is no substantial change, and you are doing in Information Canada exactly what that agency was doing?

Mr. D'Avignon: It used to be called the Canadian Exhibition Commission but it is now the Exposition Division of Information Canada.

Senator Grosart: So you have merely taken over what they were doing and are doing practically exactly the same thing.

Senator Manning: I would like to pursue that for a moment. Is that specifically the case? You take over a function that a department performed before; and if I understand your previous answer correctly, you are saying that Information Canada is doing a higher quality job and is hiring Canadians while other departments might not have been doing that. The result is that the total cost is higher but the justification is that you are getting better quality and providing employment for Canadians. Quite frankly, that bothers me because it is a wonderful excuse for all kinds of cost increases.

Mr. D'Avignon: Senator, there has always been one central agency which used to report to the Minister for Industry, Trade and Commerce at one time, at another time it was with Agriculture and yet again it was with Supply and Services. But there has always been the one agency responsible for expositions. It is the same situation now except that it is with Information Canada. And I think that the fact that you have consolidated facilities to do this saves money to the taxpayer in the long run. If all departments had designers and shops, it would cost a lot more. We are able to attract much better people and we do have some excellent designers, and the proof is that we win many awards.

Senator Manning: Well, I think it is logical that to whatever extent you can centralize this, you can effect economies; but I do suggest it is something that needs to be watched very carefully because we all know from experience in many fields, even in bids made by the private sector to do things, that one bid will be higher than another. So you ask the high bidder, "Why this discrepancy?" and you are told, "Oh, the quality of our work is so much better than our competitors' that you are getting better value for your money by spending X additional dollars." Now, this may or may not be true, but it is a dangerous area because it can lead to almost unlimited cost increases, all justified on the grounds that it is a better quality job.

Senator Everett: Just a supplementary question to that. Are the various government departments required to deal with this division of Information Canada in the exposition field or the display field?

Mr. D'Avignon: Yes, they are.

Senator Everett: They cannot ask for a competitive proposal from the private sector?

Mr. D'Avignon: That is right.

Senator Manning: This adds to the danger because you have no yardstick to measure your cost effectiveness.

Senator Grosart: I would just like to clarify that. My understanding, if I am correct—and I would like to have it made clear—is that the advantages, the policy and so on in respect of the exposition agency, has not changed. When you speak of these changes concerning the employment of Canadians and getting high-quality design, you are not suggesting that this is a change brought about by Information Canada? This was always the policy, as I understand it, of that group, and you have just taken over that group.

Mr. D'Avignon: That is right.

Senator Grosart: So the dangers that Senator Manning sees are not ones that have developed since Information Canada has taken over, but I think we will all agree with him when he says that even if it is a take-over you should still take a hard look at it.

Senator Douglas D. Everett (*Chairman*) in the Chair.

Senator Manning: In my view, the desirable thing would be, wherever feasible in these matters, to have requests or proposals from the private sector as well as the public sector, and then you have a basis on which effectively to measure.

The Chairman: As I understand it, you would give the department the option.

Senator Manning: Not necessarily the department. I would say Information Canada.

The Chairman: Information Canada might use that option.

Senator Manning: It might invite proposals from the private sector, and if those proposals can meet what Information Canada can do on their own or more economically, then you have a yardstick.

The Chairman: I guess we should ask the witnesses whether they either do that or contemplate doing it.

Mr. D'Avignon: We do that. A lot of the work, as a matter of fact, is done by the private sector. We are a contractor on this. One of the problems seems that when one of the departments wants an exhibition they need it almost immediately, and we are probably the only people who can get it on the road.

Senator Manning: There is no excuse for that. They know six months ahead that they need it. This business of having to have it next week is a common practice in the civil service, which is completely unjustified.

Mr. Trickey: One comment on that is that there are now some controls on this, if you like, indiscriminate application of quality as opposed to cost. Since the departments are paying Expositions Division for their exhibits, and the Expositions Division is now, and has been transferred since Information Canada came into being, to a full cost recovery operation, their costs, the people employed and so on, in relation to the revenues that they generate are examined by Treasury Board; that is not on an individual exhibit basis, but the departments themselves examine, and certainly discuss with our director of the Expositions Division, the estimates and costs related to a particular exhibit, because it is coming out of the budget they have, the money they have available to put on exhibits here, there and everywhere around the world. If we got to the point where our costs were exorbitant for particular exhibits, they would certainly make their feelings known to us, and to others, and in fact ask to opt out of this central service at this point.

I think there are checks and controls in the system, even if the basic requirement is that they come to the Expositions Division for an exhibit, the same as the basic requirement that all departments must go to the Canadian Government Printing Bureau to have their books or publications printed. The bureau does not in fact print all of them; they let out a good proportion of them to the private sector. A good proportion of our exhibits are subcontracted to the private sector, subject to public tender and various other things. There is this check and balance; it may be not complete but it certainly does exist.

Senator Grosart: That is a very interesting point. At one time we had a clear distinction between the Queen's Printer, who is the publisher, and the Canadian Government Printing Bureau, which is the printer. For some reason or other we seem to have lost this Queen's Printer function, which was a very important function. He decided what should go to the Canadian Government Printing Bureau and what should go outside. There were many considerations there, including the concern of the private sector about the government being in the printing business, the availability of press time, linotype time, offset time and so on.

I am going to suggest, Mr. Chairman, that perhaps our witnesses could dig out a brief that was prepared a good many years ago at the time of the setting up of the expositions agency, when all of these questions were gone into very carefully. One of the things discovered, for example, was that a department deciding to exhibit in Vienna might go to somebody in the private sector who had never been to Vienna, who did not know anything about that exposition. There was the tremendous advantage in the Canadian Government Expositions Bureau knowing the exhibition business around the world, having been there.

I can remember some examples. In the Commonwealth Institute in London we had an exhibit that was an absolute disgrace, as everybody agreed, compared to those of other Commonwealth countries. It stood there for two or three years. Many of us came back and made reports, and it was finally changed. Here was a case where somebody was putting on an exhibit, using very valuable space; it was done by a department at that time, having no idea what that building was or what was going on in there, what the competition was.

I think you will find there is a brief; there has been a rationale, and it would be very useful to the committee if you could find it, or even prepare one. All these things have been dealt with. It would be useful to have that, as to why we should have this exposition bureau comparable in many ways to the Canadian Government Printing Bureau, where there is a statutory requirement that departments and agencies use these two facilities. There is a why for it; it may not stand up, but I think we should have it.

Senator Herbert O. Sparrow (*Deputy Chairman*) in the Chair.

Mr. D'Avignon: We will try to find this document, if it exists. If not, may I suggest that Mr. Creighton Douglas, who is the Director of Expositions, could be questioned. Would the committee like this?

Senator Grosart: Yes.

The Deputy Chairman: We would be happy to have him.

Senator Grosart: He might bring it along, or recall it.

Mr. D'Avignon: He might.

The Deputy Chairman: You were answering a question for Senator Manning as well. Did you have a comment?

Mr. D'Avignon: Senator Grosart was asking me if we have taken this operation, and you said there has been no change. As Mr. Trickey mentioned, there has been a very significant change, which is that we are now on cost recovery in exhibitions. They were not before. I am not saying that had they stayed with Supply and Services they would not be on cost recovery today, but they are. This is a significant change in terms of costing and the department knowing how much it will cost.

Senator Grosart: It is not really a change, because your cost recovery is still from public money. You are recovering it from the department, which is the same thing. It is not a change.

Senator Everett: In effect, you are sending out proper bills now.

Senator Grosart: Instead of the agency absorbing the cost the department absorbs it.

Mr. D'Avignon: Our costing rates have to be in line. There is more of a check and control on the part of Treasury Board in our operations.

Senator Grosart: The department would have said it had perfect control too; it would not admit it did not have control.

Senator Manning: I have a question on a slightly different line, coming back to the publication and distribution of reports. The trend today seems to be to have almost all government reports published in the two languages in one volume. I wonder if this is a matter of government policy, or just how it came about. It seems to me that in a great percentage of cases the person using a report uses it in whatever is his working language, be it French or English. Today, almost without exception, the reports are in one book in the two languages, which makes each volume double the size; in other words a 100-page report always becomes a 200-page report. I know that in my office we have scores of these reports, and this is of no value whatever; it is never used. I am sure the same thing works in reverse in the Province of Quebec in the French language. Why should they have to have everything in the English language as well as the French language in one edition? Perhaps this ties in with this diea of the check list.

It seems to me that if these publications were available in either or both languages, 80 or 90 per cent of the people wanting them would order them in one language or the other, whichever they are interested in. There might be a few in offices using both languages who would want them in both. Surely, there could be a saving of thousands and thousands of dollars in publication costs if all this duplication were eliminated, having everything in the two languages when they are only being used in one in the vast majority of cases.

The Deputy Chairman: I believe when I came to Ottawa it was the case that we got them in one or the other language. Since that time the publications have been appearing mostly in the two languages under one cover. Is that a directive?

Senator Manning: This is what I was interested in. How did it come about? I think it is a terrible waste of money.

Mr. D'Avignon: I know there are still some publications that appear in one language only.

Senator Manning: Very few.

Senator Grosart: Or they appear in both languages, but in separate editions.

Mr. D'Avignon: In separate editions. Mr. Beauchamp will be here tomorrow. We are taking a note of this, and if there is a regulation we will bring it and tell you exactly what it is.

Senator Everett: I know there is a regulation in respect of parliamentary material.

Mr. D'Avignon: That is right.

Senator Everett: I recall the present Prime Minister, when he was the Minister of Justice, appearing on that particular legislation before us. That is why the legislation is now printed in the two columns in both languages.

Senator Manning: In matters such as legislation and publications sent out to the public giving explanations of income tax and things of that sort, obviously they have to be in both languages; you cannot segregate who wants it in French and who wants it in English. However, I am thinking of the routine departmental reports, particularly if they are going to be sent out on request. There is no point in sending a man who is going to read all the reports in French the same report in English, or vice versa. I think this is a field where there could be tremendous economic savings, with no change as far as the public is concerned, because it is of no value to the man if he is not using it anyway.

Mr. Trickey: It is my understanding that there are a number of fairly voluminous reports that are printed in two editions, in English and French. I have not looked at them recently, but I believe the Public Accounts, for instance, are printed in two editions, a French edition and an English edition. I am not sure about the Auditor General's Report. I think that is in English and French.

Senator Grosart: It is in English and French. The estimates are in both.

Mr. Trickey: The estimates are in both. We have a publication which is a continuing good seller, "Birds of Canada", which is also in a French edition "Les oiseaux du Canada". I am not sure—I think Mr. Beauchamp will be able to tell us—if there is any policy established in this area, or if it is on an individual publication basis that the decision is made whether it will be better to produce it side by side in the two languages or in two separate editions.

Senator Grosart: I am quite sure the situation in certain cases is that there are statutory requirements. One is the Statutes of Canada, which is required to be printed in one volume in both languages. This is for the benefit of the lawyers, who want to compare the two. I am quite sure there is no general requirement. There are Senate reports, for instance, that are put out separately. We have discussed this, and most Senate reports are put out separately. I agree with Senator Manning, not only because of the publication cost, but also because of shelf space.

Senator Manning: This is the other side of it; you require double the space for the same quantity of material.

Senator Grosart: This has been gone into over and over again. In my office we publish in both French and English, and we have this eternal problem. It is not as easy to solve as some people would think. For example, there is the school who say we use the "reverse book" method and keep them separate. By and large, the people who are concerned that we should give full credence to the concept of multilingualism want a mix. Perhaps it is emotional sentimentality. There are people who say they should not be separated. This is particularly so in the magazine field, although the English and French versions of magazines such as *Macleans* and *Reader's Digest* are published separately. I agree with Senator Manning that there is tremendous waste, particularly with government reports. I tear them apart. It is not that I have any objection to the French language; I have not. It is just easier for me to read English. I tear them apart, and they are very messy-looking when they get on my shelf. It just saves shelf space to do that.

Senator Everett: I should like to go back to the book shops. As I understand it, you have six book stores.

Mr. Trickey: That is true.

Mr. D'Avignon: Halifax, Montreal, Ottawa, Toronto, Winnipeg, Vancouver.

Senator Everett: What is the total rental cost of those stores?

Mr. D'Avignon: I believe we have that here.

Senator Everett: They are all leased, I assume?

Mr. D'Avignon: Yes.

Senator Everett: I suppose what I would really like to know is what the rental cost is, and how much was spent on renovating these stores.

Let me ask you a general question. I gather that you are not going further with the store program, that you are going to use book agents for the distribution of literature from this point forward?

Mr. D'Avignon: That is right.

Senator Everett: Why did you come to that conclusion?

Mr. D'Avignon: We are covering the largest metropolitan areas. The stores are rather expensive. The rentals are high because we are in a high density section of the city. In Toronto we are on Yonge Street in front of Simpson's. In Montreal we are on St. Catharine Street between Morgan's and Eaton's. In Vancouver again we are opposite Eaton's. In terms of the volume of people going into these shops it pays, but we have a feeling that we can distribute our publications just as easily and just as well by having authorized agents. One of the main reasons is the high cost of getting a place in the metropolitan area.

Senator Grosart: When you say agents, do you mean, in effect, existing book shops?

Mr. D'Avignon: Right. Mr. Chairman, any bookseller in Canada can order our books and he will get a 40 per cent discount on any of our publications.

Senator Everett: Off the selling price.

Mr. D'Avignon: That is right. Now an authorized agent gets 46 per cent off. He signs a contract with us. He has to allocate a portion of his store. Mr. Beauchamp will be able to tell you how many square feet. The bookseller then has to advertise that he is selling Canadian Government publications. He does not have to advertise Information Canada, but just the fact that he is selling the government publications. These must be placed together in a stand or stands in that particular section of his book shop which is allocated to our publications.

For doing this he gets an extra six per cent discount. He does not get anything else. We probably will spend a few dollars advertising that so and so is now our authorized agent in one place. But these arrangements are never exclusive. As part of our contract there could be another agent as well.

At any rate, we have certain criteria which Mr. Beauchamp will be very glad to describe. For instance, our agent has to be a book shop, not a drug store which sells publications. It has to be the main concern of the business to sell books. We would not be interested in being tied up with a person who sells "porno", for instance. There are certain considerations and the financial situation of the person is one of them. Also a very important point is that the bookseller must take from 300 to 400 titles depending on the size of the city.

So he must devote some capital to this venture.

Senator Manning: Are these on consignment?

Mr. D'Avignon: No, they are sold. So we are protected all the way through and we find this a good arrangement and we have a lot of takers. People are interested. Even though Information Canada may not have such a good name, people are interested in being tied up with us.

Senator Everett: You project a return to the consolidated revenue fund of $4 million in book sales this year?

Mr. D'Avignon: That is right.

Senator Everett: What other costs would be represented by those $4 million—that is, the cost of books, the cost of postage in the mail order and the cost of distribution?

Mr. D'Avignon: Well, if we take the whole thing it is over $6½ million.

Mr. Trickey: It is between 6½ and 6.8 million dollars.

Senator Everett: Why is that not returned to Information Canada instead of to the consolidated revenue fund?

Mr. Trickey: Again, this public distribution is not on a cost recovery basis at the moment. The appropriations are made through the Appropriation Act for the expenses of operating this distribution system and the revenues generated from the sale of the books go directly to the consolidated revenue fund. Otherwise you would have a net vote in effect, because we have more expenditures than we have revenue. We could not exist on the revenue under the present guidelines under which we operate.

The unit we are planning to put on cost recovery as of April 1, 1974, takes into account the $4 million roughly that we will be getting in revenue to pay our expenditures for the costs incurred to generate that revenue. The costs incurred, including the cost of books and the free services we provide, that is, the distribution to the repository libraries and to members of the Commons and the Senate and so on, of a check list of books that we pay for—we anticipate will remain in the Information Canada appropriation of roughly $2½ million for these services. The rest of it will have to operate within the revenue it generates. This is basically what will happen.

Senator Grosart: What you are saying is that you have not obtained from Treasury Board authorizations for a revolving fund.

Mr. Trickey: Not yet, but we would receive it from Parliament, not the Treasury Board.

Senator Grosart: But you have made the request.

Mr. Trickey: Yes, for the 1st of April, 1974.

There will be a submission going forward to Treasury Board probably with a request for a non-budgetary supplementary loan vote item. Probably it will be in the final supplementary estimates of this year to authorize the

draw from the Consolidated Revenue Fund for the interim finances, the working capital that might be necessary to run this revolving fund.

Senator Grosart: I am quite sure it will be opposed by this committee, not because it is you but on the general grounds that we object to substantive legislation by appropriation acts. You are in the difficult position of having been set up under an appropriation act, which is a principle to which this committee objects very strongly. I hope you would give consideration, and perhaps the committee would give consideration, to turning this about and establishing you under an act of Parliament.

One of the usual characteristics of a department is that it is administered under an act of Parliament. It is true that an appropriation act is itself an act, but its purpose is not, as we understand it, to create new government policies such as those embodied in Information Canada. I think we all agree that we object very strongly to that kind of use of an appropriation act. However, in your case, you have no alternative.

Mr. Trickey: If I might interject, Mr. Chairman, there are two things here. There is the creation of Information Canada through an appropriation act, but the creation of a revolving fund, which is really a financing tool for an operation of government, is not, in my opinion, quite as objectionable in that it is displayed, it is voted on and it is merely an authority to draw money from time to time in order to pay expenses of people and so on until revenue starts to flow in to this revolving fund. It is not really creating policy or creating a new entity or anything else. It is merely a financing tool of Parliament to allow this thing to operate.

Senator Grosart: That is one view of it. Another view is that it is something entirely different.

Senator Everett: Mr. Chairman, another problem confronts us with revolving funds. All we see is the difference of $2½ million. It is only by examining your report, the report of the Director General, I think, which is submitted to Parliament by the minister, that we see the actual results of the revolving fund.

Mr. Trickey: If I may interject again, Mr. Chairman, the anticipated activity of the revolving fund is also displayed in the estimates and there is a report printed on each revolving fund in the Public Accounts.

Senator Grosart: In the Public Accounts, yes, but not in the estimates.

Mr. Trickey: And also in the estimates. You will see that the Expositions Revolving Fund is displayed on page 13-18. I agree that there is no vote in connection with the revolving fund, only if you want to increase the working capital in your requirement, but the display of the activity of the revolving fund is here. The functions on which it is being spent, the anticipated revenue and, of course, the anticipated excess, which is nil—are all displayed here.

Senator Everett: Yes, you are quite right.

Senator Grosart: Just while we are on that, I see under "Program Description" the following:

> This revolving fund was authorized by Supply and Services, Vote L149b, Appropriation Act No. 1, 1970, and increased by Supply and Services, Vote L30, Appropriation Act No. 3, 1971.

Mr. Trickey: Yes.

Senator Grosart: Which line shows that recovery?

Mr. Trickey: The two votes together provide to the exposition division the authority to draw from time to time from the Consolidated Revenue Fund up to a maximum of $1,750,000.

Senator Grosart: I am asking you where it shows that in numbers.

Mr. Trickey: That does not show any longer. Once the loan vote goes through that never shows again.

Senator Grosart: That is the point Senator Everett was making: it does not show.

Mr. Trickey: But these numbers show: the expenditures are $6,800,000, and we are anticipating revenues of $6,800,000 in 1973-74, so there is a nil requirement for funds for the expositions revolving fund in 1973-74.

Senator Grosart: Where is that vote?

Mr. Trickey: There is no vote in this year's estimates. If I may show you, this is merely the expenditures anticipated and the revenues anticipated to offset them, and there is a nil requirement for the vote.

Senator Everett: This is the report for the previous year, but it is your report of the revolving fund?

Mr. Trickey: That is right.

Senator Everett: Is the same amount of information contained in the estimates?

Mr. Trickey: No. This is not displayed here by outline of expenditure but rather by function of design, project management, storage and exhibits.

Senator Everett: Mr. D'Avignon, I have the annual report for 1971-72, which was tabled on March 31, 1972. Is there a report for this year?

Mr. D'Avignon: There will be a report for the fiscal year ended March 31, this year. We hope to have that report ready for the fall.

Senator Everett: This particular report was tabled in December, so I presume the report for 1972-73 will be tabled in December?

Mr. D'Avignon: We hope to have it ready for October or November.

The Deputy Chairman: This is a report to Parliament or an annual report?

Senator Everett: It is the annual report tabled by the Minister of Labour.

The Deputy Chairman: And you are talking about the annual report tabled by the minister, Mr. D'Avignon?

Mr. D'Avignon: Yes, the annual report tabled by the Minister.

The Deputy Chairman: I understood all that would be forthcoming would be a statement by the minister, not an annual report by Information Canada.

Mr. D'Avignon: There will be an annual report on our activity for the fiscal year ended March 31, 1973.

Senator Everett: Mr. D'Avignon, you have a stable of creative writers and liaison personnel who are there for loan to other departments. Could you tell me how many people are involved in that at the present time?

Mr. D'Avignon: There are six, I believe, at the moment. They do some work for Information Canada. I will give you an example of some of the work they have done recently. They have prepared a guide to the citizens on any government program that is available to them, and that guide will be published very shortly. Also, in co-operation with the Department of Industry, Trade and Commerce, we are preparing the same type of thing for industry. This will be a guide of all the government programs from all departments which are at the service of industries.

The organization of the government of Canada has not been published for a number of years. We have people working on that now. For work of a general interest, such as those areas I outlined, we use our own writers. These people are not only writers, they are consultants, advisers to the department. There will be somebody working with the Chief Electoral Officer very shortly to develop an information program for him. I do not know what the recommendation is going to be. We have had a lot of people participating in interdepartmental committees. We have representatives, as I mentioned earlier, on the Olympic Committee; we have representatives on the Commonwealth Prime Ministers, Conference, and a good many other interdepartmental committees. We have acted as advisers on information and public relations to the Treasury Board on a lot of matters and, as well, to privy council, when they are matters of general interest.

Senator Everett: Would you have any information as to the degree that other departments in government generally have made use of that particular service?

I see it is getting late, Mr. Chairman. I just wanted to put two or three of those questions on the record. We will have both Mr. D'Avignon and Mr. Trickey appearing before our committee again, and perhaps at that time I could get replies to those questions.

Mr. D'Avignon: I could go over a few of the things that we are doing now, Mr. Chairman, or, if you prefer, I could reply to them at a later date.

Senator Everett: I would prefer a fairly comprehensive report, even if the span of time was not wide. I would be more interested in the degree to which those services have been used, say, from January 1 to the end of May. That would be of more interest to me than just a general idea of how they are used. What specific requests have been made for these creative writers and liaison personnel?

Mr. D'Avignon: Again, Mr. Chairman, if it were possible—and it might be of interest to the committee—I can bring the director responsible for this activity.

Senator Everett: I think that would be very helpful, Mr. Chairman.

Mr. D'Avignon: We did not know what the specific line of questioning would be. We felt you would be mainly interested in finances. That is why Mr. Trickey is here this morning. That is his area of expertise. The program directors are really the people who should reply to questions relating specifically to the various programs.

The Deputy Chairman: We would certainly be happy to have them present at the next sitting.

Senator Everett: These inquiries often lead you down trails, and it might be useful when you next appear to have a buttressing of staff. This has been a general inquiry to date, and we may get more specific.

The Deputy Chairman: There are some further questions?

Senator Everett: I have no further questions, Mr. Chairman.

The Deputy Chairman: I believe Senator Phillips has a question.

Senator Phillips: I could probably delay my questions. Unfortunately, Mr. Chairman, I was unable to be here earlier. Is it my understanding that the present witnesses will return to the committee?

The Deputy Chairman: Yes. The committee will meet again tomorrow morning at 9.30.

Senator Phillips: Is it possible to obtain at least the "blues" of this meeting in order that I may know the type of questioning that occurred prior to my arrival? I have some specific questions concerning the sales of books, and so forth, which may already have been asked. Usually, I find that, as in the case of our Senate committee meetings it is about October that we will start getting the committee meeting reports, and I wonder if there is some way this could be speeded up, even if a temporary "blue" were provided that we could read when unfortunately one cannot be present. The committee will meet tomorrow morning and I have to go to another committee and, in a situation like this, I would like to have the situation corrected.

The Deputy Chairman: Senator Everett, can you answer that question?

Senator Everett: Mr. Chairman, I think all we can do in that direction is to request the clerk of the committee to inquire of the reporting services whether it would be possible, in this specific instance, to provide "blues" to the senator. Then, as chairman, I could make inquiries, for reporting back to the committee at a future time, as to whether or not there is a means of speeding up the committee reports—which I know do not come out as quickly as *Hansard* does and often take a fairly lengthy amount of time before we see them. So I will undertake to make inquiries on that, senator, and see if there is any means of speeding up the process of receiving the reports. I would think the clerk of the committee should talk to the chief of the reporting services and see if there is anything he can do for the senator in respect of the "blues". I am inclined to doubt that it can be done.

The Clerk of the Committee: It has to be edited.

The Deputy Chairman: No, he is talking about the "blues". If it can be done, a copy may as well go to all

members of the committee. The clerk will check and report to me.

Senator Desruisseaux: Very briefly, I have noted that the answers to Senator Everett's question on cost of rental and cost of storing operations have remained unanswered.

Mr. Trickey: I did find it. The store in Halifax on Barrington Street is roughly 3,000 square feet, at a rental cost of $4.80 per square foot, making an annual rental of $14,400. The Montreal store annual rent is $206,900, the space is 8,276 square feet at an annual rental of $25 per square foot.

Senator Everett: Are these net, or gross rentals?

Mr. Trickey: I cannot tell you.

Senator Phillips: Did you say $25 per square foot?

Mr. Trickey: That is right; it is located right on Ste-Catherine Street.

Senator Phillips: Place de Ville in Ottawa rents at something in the order of $8 or $9 per square foot, which I consider to be atrocious. How did you arrive at $25 per square foot in Montreal?

Senator Everett: I believe, Senator Phillips, you are referring to general office space. The Toronto-Dominion Centre, which is probably comparable to Place Ville Marie, runs between $10 and $12. The witnesses are referring to retail space in a prime location, which is an entirely different rental concept. I do not know whether the $25 is high or low in the circumstances, but it cannot be related to rental for office space.

Senator Phillips: I assure you that I will be requesting more information in this respect.

Mr. Trickey: These space rental agreements and leases are negotiated on our behalf by the Department of Public Works on the best basis they can achieve in locations we indicate we desire.

Senator Yuzyk: Is this on an annual basis, or are the leases longer?

Mr. Trickey: The lease is longer but this is the annual rental.

Toronto is 4,827 square feet at $12.13 per square foot, for $58,551 per year. The Winnipeg space is 6,940 square feet. I do not have a calculation of the square footage here, but the annual rental is $44,900.

Mr. D'Avignon: So it is approximately $7 per square foot.

Mr. Trickey: The space in Vancouver is 10,800 square feet at $11.11 per square foot, for an annual rental of $119,988.

Senator Everett: Mr. Chairman, perhaps it would be useful if we had a schedule of rents for the six stores, indicating the area, the rental per square foot, the total rental, the term of the lease and whether on not the lease is net or gross.

Senator Phillips: It should also indicate the owners of the buildings.

Mr. Trickey: I am not sure I understand, Senator Everett.

Senator Everett: If it were gross, you would pay the rental and the landlord would be responsible for insurance and taxes.

Mr. Trickey: Yes, and utilities.

Senator Everett: Net would mean that you would pay that as a net amount and also a proportionate share of taxes and insurance. In addition, it would be interesting to know how much was spent on the renovation of those stores by Information Canada. We are not interested in expenditures made by the landlord.

Mr. Trickey: Information Canada paid nothing.

Senator Everett: Or by the Department of Public Works?

Mr. D'Avignon: There were expenditures by the Department of Public Works.

Senator Everett: It is expenditures by the government on behalf of Information Canada. Also whose responsibility is the upkeep and maintenance of the stores?

Mr. Trickey: Do you mean the cleaning?

Senator Everett: No, what would generally be termed in a lease as repairs. Is the landlord, or the tenant responsible for repairs? That makes a fair amount of difference in the costs.

Mr. Trickey: I will have to obtain this information from the Department of Public Works.

Mr. D'Avignon: Mr. Chairman, for the record, there is another item of rental. We have a warehouse in Vancouver and as the remainder of the properties have been entered, we should add this.

Mr. Trickey: The warehouse in Vancouver is 7,000 square feet at a rental of $4.45 per square foot, for a total rental of $31,150.

Senator Phillips: Mr. Chairman, in addition to the suggestions made by Senator Everett, may we have the names of the buildings and the companies or individuals who own them in the various areas?

Mr. Trickey: We will get that.

Senator Everett: With respect to the information centres—I am not talking about the book stores now—how many of those do you have in Canada?

Mr. D'Avignon: Wherever we have a book store.

Senator Everett: That is six.

Mr. D'Avignon: That is right.

Senator Everett: Do you have any information centres beyond that?

Mr. Trickey: Not at the moment.

Mr. D'Avignon: There are two mobile units.

Senator Everett: There are two mobile units; but there are no information centres in other areas of Canada other than the six?

Mr. Trickey: There is an arrangement in Newfoundland.

Mr. D'Avignon: There is an arrangement with the library of the University of Newfoundland. They have a small book store and they provide an information service. We have an arrangement with them.

Senator Everett: I am talking about the inquiry centres.

Mr. D'Avignon: No, we do not have an inquiry centre.

Senator Everett: Perhaps we will get into that in future questioning.

Senator Desruisseaux: When you deal with the Queen's Printer, do you buy the books outright?

Mr. D'Avignon: Yes.

Senator Desruisseaux: And the price is the differential?

Mr. D'Avignon: The price that we pay is the print-run cost for the quantities that we buy into our inventory. It is the variable cost incurred by adding that additional production onto the initial order from the order department. If the order department buys 5,000 and we add 5,000, we pay the print-run cost for that 5,000.

Mr. Trickey: But not the set-up.

The Deputy Chairman: We will meet again at 2.30 this afternoon and again tomorrow morning at 9.30.

Gentlemen, and madam, I thank you very much.

The committee adjourned.

The meeting resumed at 2.45 p.m.

The Deputy Chairman: Honourable senators, we have with us this aternoon Mr. J. A. Murphy, Director of the Information Services Branch, Department of Industry, Trade and Commerce; and Mr. J. F. Bradley, Chief of Special Projects Division. I had a chat with Mr. Murphy for a few minutes before the hearing this afternoon, and he tells me that he will have a few remarks to make prior to questioning, although he has no written submission to make. Therefore I will just ask him if he would give us a few opening remarks, and then we will begin the questioning with Senator Carter.

Mr. J. A. Murphy, Director of Information Services Branch, Department of Industry, Trade and Commerce: Thank you, Mr. Chairman. I think I should explain that the Information Services Branch of the Department of Industry, Trade and Commerce is responsible for the published output of the department, booklets and brochures, of which I have samples in English and French here, and of which I should be pleased to make additional copies available to any members of the committee who might like them.

We also handle the normal press relations of the department with the parliamentary press gallery. The branch incorporates as of a recent reorganization the departmental library. We have another division that handles inquiries from business and industry and the general public, in that order, about the activities programs and other activities of the department. My branch is not directly responsible for the trade fairs program of the department. This is of considerable magnitude and we have a separate branch, the Fair and Missions Branch, which is responsible for trade fairs and missions abroad, and for incoming and outgoing business missions. Mr. Bradley is here today representing the director of that branch, Mr. Olliver, who is ill.

I really do not think I have much more to say. I think it might be more profitable from your point of view to ask me any questions you wish on the operations of the branch, and I shall do my best to answer.

The Deputy Chairman: If I might read to honourable senators one paragraph from the letter that we sent to the Department of Industry, Trade and Commerce in this connection:

> I would appreciate if you could arrange for your Director, Information Services Branch, to be present as a witness at 2.30 p.m., Wednesday, June 6, 1973, in the Senate Committee, Room 356-S, with a view to answering questions concerning the information services provided by his directorate for the Department of Industry, Trade and Commerce and their relationship to those services provided by Information Canada.

Senator Carter: Mr. Murphy, in what way have the functions and activities of your branch changed since the advent of Information Canada?

Mr. Murphy: Well, sir, there are certain government agencies which Information Canada took over with whom we had previously dealt, and we still deal with them.

Senator Carter: Certain agencies in your department?

Mr. Murphy: No, I am sorry. Certain agencies in the government. I am thinking of the still-photo unit of the National Film Board which is now part of Information Canada. We previously dealt with them for obtaining still photographic services, that is photographs and enlargements, and we still do in the context of their being part of Information Canada.

Senator Carter: Is that the main change? Instead of dealing directly with them, you are still carrying on your own functions exactly as you did before the advent of Information Canada doing exactly the same thing?

Mr. Murphy: Yes, sir. There are certain things, for instance, in our operations in relation to press and information and day-to-day contact with the press gallery, the distribution of press releases, policy statements, ministers' speeches that have remained unchanged. We have had for a number of years this capacity within the department to write, design and produce our own publications, and this has built up over the years, because, as you can understand, we deal specifically with the business and industrial community rather than with the public at large, and as a result we have a capability within the branch, and have had such a capability for more than the five and a half years that I have been with the branch. In other words we can provide the service to the business and industrial community that the previous Department of Trade and Commerce provided, and since the amalgamation of our two departments, we took in people from the Department of Industry, and the scope of our activities broadened in the context of the enlarged mandate of the department.

Senator Carter: Has your staff diminished or increased since the coming of Information Canada?

Mr. Murphy: I would have to qualify my answer. It has increased, but the main reason for its being increased was first of all the reorganization of the department within the last few months which put an additional 60 people into the branch. These were mainly from the department library which was in another part of the department, and the industrial and trade inquiries division which again was in another branch and which was disbanded. The old trade publicity branch, which was the name of the Information Services Branch, has not really gained more than I would say five people in five and a half years which takes it back to the days before Information Canada.

Senator Carter: The Prime Minister, in a policy statement in 1970, when Information Canada was set up, gave as one of the reasons that it would increase efficiency, save money, reduce duplication and increase the joint use of resources. How has that worked out with respect to your department? Have these objectives or any of them been achieved?

Mr. Murphy: Well, I would have to say it has not changed many things that we have done. We dealt previously for our printing and publishing with the old office of the Queen's Printer which does not exist any more, and we now deal with Information Canada and the Department of Supply and Services in getting our published output printed and in the tendering and printing process.

Senator Carter: Apart from the reorganization, then, your activities are pretty much the same now as they were before Information Canada came on the scene? Is that a fair statement?

Mr. Murphy: Yes, sir, it is.

Senator Carter: Has information Canada been of any benefit to you? Going to the Film Board through a third party, instead of directly, could hardly be described as a benefit. Have you derived any benefits from Information Canada?

Mr. Murphy: There are certain things which have fallen across a number of departmental lines, including our department, which we have referred to Information Canada and they have taken responsibility for co-ordinating an overall government approach on them.

Senator Grosart: Could we have a list of those—that is to say, the overall information projects that you have in effect transferred to or asked help from Information Canada?

Mr. Murphy: I could not provide it now, but I would be pleased to provide one to the committee later on the basis of our records.

Senator Grosart: The reason I ask that is that we were told this morning by Information Canada that it is only by request that they can attempt to co-ordinate. So I take it, then, in discussions with them you have said, "Will you take over this? "Is that the situation?

Mr. Murphy: Yes, I have been approached by people with a project in mind that would involve a number of departments, and I have referred them to Information Canada, because it covered a number of departments.

Senator Grosart: So, could you give us a list and a brief description? I don't mean now, but later.

Senator Prowse: In your experience, where you have been asked for co-ordination, have the results been satisfactory?

Mr. Murphy: Yes.

Senator Carter: How does your information branch or division of Industry, Trade and Commerce compare with other government departments? The representatives from Information Canada told us this morning that there were 39 government departments and most of these still had some sort of information bureau or agency within them. Now the one that you represent in Industry, Trade and Commerce, along with trade fairs, would you say that that is one of the biggest ones or are there any bigger ones?

Mr. Murphy: From the standpoint of numbers, I would think ours would be one of the biggest now, but I would like to qualify that by saying that because of the additions—we have librarians who are in another occupational category and we have commerce officers and people other than Information Services people. Prior to this reorganization we were primarily all information officers with some design, drafting people who do the art work in our publications.

Senator Carter: You have an item in this year's budget, and I am speaking of the budget for 1973-74, of $2.993 million, which is almost $3 million. Does that budget contain any item that you consider is also being done by Information Canada or that you consider should be done by Information Canada?

Mr. Murphy: We spend on an average about $20,000 a year with the photo unit. This is for reproducing pictures and enlargements and supplying films or photos for us.

Senator Carter: How much did you pay Information Canada last year for services?

Mr. Murphy: $20,000.

Senator Carter: Is that all?

Mr. Murphy: There may be some more. They do some distribution of our magazine *Canada Commerce* which is a monthly magazine, and which has a total circulation of approximately 20,000 in both languages. They handle the distribution of about 1,100 copies of the 20,000 to the House of Commons, the Senate and some overseas subscriptions which are paid for. I am afraid I do not have the exact figure.

Senator Carter: In the matter of press releases, do you make these releases directly to the press or do you go through Information Canada?

Mr. Murphy: We make them directly to the press.

Senator Carter: So far as the Department of Industry, Trade and Commerce is concerned, I suppose the programs that are of most interest to the business sector of the public are the incentives programs. How do you go about these incentive programs? How do people know what changes are available, and how to go about getting them? Can Information Canada help you there?

Mr. Murphy: They have a number of our publications on their list as being available. They do not stock them in all of their bookstores, but they do stock or they do have a number of publications available on their list, and one of

them is the set of publications dealing with the industrial incentive programs.

Senator Carter: Do you have any check on how many you make of that or how many are circulated and what happens to them? Or do you just give them a number of copies and forget about it?

Mr. Murphy: As a matter of fact, they see everything that we intend to print. They are in the process of dealing with DSS. The printing requisition goes through Information Canada and they have the opportunity to vet it before the publication is printed, and if they see fit they can order at their own expense whatever number of copies they think they can sell or distribute at their bookstores.

In our case there have been two publications that they have selected for sale in their bookstores and there are five more that they have publicized via their mailing list. They have a regular distribution mailing list and they have listed these publications as being available but have not actually stocked them in their stores.

Senator Carter: That is hardly promotion or dissemination of information. The only people who would apply for this would be people who already know about it. How about the people who do not know these things exist?

Mr. Murphy: We promote publications such as the program booklet and new publications that we bring out on various industry sectors. We promote them in our own publication, *Canada Commerce.* We usually indicate through not really a press release but a notification to trade paper editors at the time we bring out a new publication that we think it would be of interest to a particular section of industry.

Senator Carter: You have two publications, *Canada Commerce* and *Canada Courier.* Who prints these publications for you?

Mr. Murphy: The printing is arranged for us by DSS. It is done on a contract. It is tendered for and I am sorry that I cannot tell you who the printer is.

Senator Carter: You have different printers at different times?

Mr. Murphy: It is a normal government tendering process. The contract comes up for renewal and it is out of our hands.

Senator Carter: Are they distributed free or do you charge for them?

Mr. Murphy: We distribute them free.

Senator Carter: Do you distribute through Information Canada or do you distribute yourselves directly?

Mr. Murphy: They distribute *Canada Commerce* on a limited basis. We handle the distribution of *Canada Commerce,* which is primarily domestic, ourselves, except for 1,100 copies which come to the House of Commons and to the Senate and to libraries and schools. If I can explain that or attempt to explain that, *Canada Commerce* was previously called "Foreign Trade". It was on a paid-subscription basis and had a circulation of about 4,000. We felt that the circulation was not nearly commensurate with the numbers in the business community in Canada who should be getting it. So a decision was taken about three years ago to enlarge the circulation and to go on a free distribution basis. We made our mailing lists up from lists provided by the Canadian Manufacturers Association, the Canadian Exporters Association, and lists available through our industry sector branches. The paid subscriptions are just a hold-over from the days when you had to pay and had to send in your cheque to the Queen's Printer. We found that the circulation was static and we knew that a lot of people should be getting it who were not.

Senator Carter: Do these come out every fortnight or every month?

Mr. Murphy: Every month.

Senator Carter: The ones that go to Information Canada are distributed every month, are they?

Mr. Murphy: They just take the 1,100 copies of each issue and make the distribution here and in the House of Commons and to certain universities and libraries who have requested them.

Senator Grosart: Excuse me, but you say that Information Canada gets 1,100. What is your print run?

Mr. Murphy: Approximately 20,000 in English and French.

Senator Grosart: So their operation is minimal in respect to *Canada Commerce.* It is only one-twentieth of the distribution. That is their function?

Mr. Murphy: Yes, sir.

Senator Grosart: And it is mostly free.

Mr. Murphy: Yes, sir.

Senator Carter: Do you ever request any publishing advice from Information Canada, or have you ever received any publishing advice or assistance from Information Canada?

Mr. Murphy: We have never solicited their advice in the sense of asking them for advice on design, because we have that capability in our own place. I have asked for their advice in the case of one publication which was called *Federal Services for Business,* but which encompassed the role of a number of government departments including our own and which we had been responsible for publishing. I put it to Information Canada that their mandate would put them in the role of publishers of that now, from some point on. We issue it about every two years and we have been in the process for a few months of negotiating with Information Canada the taking over of the publication of *Federal Services for Business* because it is a publication in considerable demand and is rather expensive, involving, as I say, a number of departments and agencies. That is still up in the air. It has not been settled yet.

Senator Carter: You think that would be an advantage, do you?

Mr. Murphy: Well, sir, I think it is more appropriate to have them publish it than for us to do so, because it is more their responsibility than ours, as I read their mandate.

Senator Carter: Would you reduce your budget by that amount, or have you some other ideas to use up the money you would save?

Mr. Murphy: If they published, we would not, and they would pay for it.

Senator Carter: But would your allocation be lessened?

Mr. Murphy: Presumably that would be something which would not get on our program.

Senator Carter: Can you tell the committee if there is any way you know of by which Information Canada could help your division to do a better job than it is doing at the present time? Are there any ways you could see by which Information Canada could be of assistance to you, perhaps by creating more efficiency than there is at the present time?

Mr. Murphy: I would think that there is a place in the government for machinery for co-ordinating public announcements so that the press gallery is not being swamped one day with press releases from about 15 different departments and then having nothing coming for perhaps the next week. Now, whether that is an Information Canada function or not I do not know. It could be. As it is, it is a little difficult for departmental directors to be able to know from one day to the next what other departments are doing or whether or not a given department is planning a press conference to announce a major policy change or a new program so that there have been times when we sort of bumped into one another.

I don't think I can pass judgment on whether that belongs with Information Canada.

Senator Carter: Thank you.

Senator Grosart: Mr. Murphy, first of all let me compliment you on *Canada Commerce,* which is one of the finest government publications which I get—and I get them all. I am glad to see that you have a circulation of 20,000. On another committee we are doing an investigation of Canada's relations with the Common Market, and I tried last night to see what we could say that was not said in that issue of yours, and I found it very difficult. It is an amazingly comprehensive job, and I congratulate you on it.

Could you tell me, Mr. Murphy, how many different information groups you have within the department? The reason I ask that question is that it is obvious you have responsibilities—for example, the census, Statistics Canada, the incentive programs, and your other missions. Do you break these down in your department? Do you have somebody specifically working on the promotion and communication of, say, the incentive programs and so on?

Mr. Murphy: Yes, sir,

Senator Grosart: How many such groups would you have?

Mr. Murphy: We have two promotion divisions, promotion division A and promotion division B. There are seven officers in each division, including the unit head, and they are assigned on a sector basis within the department. For example, one officer might be responsible for everything connected with the transport branch, including the automotive pact; another with, say, the machinery branch; another with agricultural foods and fish products; another with the incentive programs.

We have tried to make it somewhat the same type of organization as an advertising agency, where account executives might have three of four accounts or maybe only one big account, depending on the amount of activity in each area.

Senator Grosart: But you do not make them all vice-presidents.

Mr. Murphy: No, sir.

Senator Grosart: Could you give us that list? It would be very interesting from our point of view if we had a list of your information officers. The reason is that in this committee we are trying to see very hard the "why" of Information Canada and to find out what are the specific areas that Information Canada should be responsible for under its mandate. It is a little difficult, as I am sure you have found out as well, to say just who does what to whom and when.

You mentioned the figure of $20,000, which was the cost of the photo service. Could you give us some other costs, such as the cost of the Expositions Bureau, for example? You would be a very important client of theirs, would you not?

Mr. Murphy: We are an important client. Mr. Bradley is the expert on our expositions activity senator. If I could refer that to him . . .

Senator Grosart: Well, I should like to get perhaps the over-all picture first of all. Where are your main pay-out costs to Information Canada? You would have that information, would you not? You would have some films that you would buy, I suppose, from time to time.

Mr. Murphy: Well, really, the list of services provided by Information Canada as they are now, and this is apart from expositions, is the distribution of certain publications that we have initiated. I have them here, sir, and I can give them to you.

Senator Grosart: Could we have that list, Mr. Chairman? Again, particularly if it is broken down, showing the total press run and the total that you either give or sell to Information Canada. Do you sell them any?

Mr. Murphy: Well, we do not get the opportunity to sell them, sir, If they decide they like something that we are doing they have the option of upping the printing run by whatever number of copies they think they can sell and then that becomes their responsibility. As the initiating department we absorb the overhead. We write them and lay them out and get them printed. Information Canada then can, in this vetting process when the requisitions go through to DSS, look at it and decide whether they are interested or not. They may be interested to the extent that they want a number of copies to stock in their bookstores, or they may, as is usually the case, simply put them on their mailing list and make them available if people want to write for them.

Senator Grosart: Yes. My point was that I understood you to say that all they obtain of your publications is the overrun that they specifically request.

Mr. Murphy: Yes.

Senator Everett: May I ask a supplementary there? You make the initial distribution then?

Mr. Murphy: Yes.

Senator Everett: Have you an example of the sort of publications that they might want?

Senator Grosart: Well, *Canada Commerce* is one.

Senator Everett: *Canada Commerce* is one, but I am not thinking so much of periodicals.

Mr. Murphy: Well, for example, senator, we produced a booklet called "Office Environmental Planning", which was done by our Office of Design. Information Canada have ordered a number of copies of that, and it is available for sale in their bookstores. There is one other one which we have.

Senator Everett: Do you have the costs and the runs as between you and Information Canada for distribution that you undertake?

Mr. Murphy: No, sir,I do not have the cost on that one, but I can get it.

Senator Grosart: Perhaps you could give us that whole list. I think if you give us the numbers we can figure out the cost from there; that is, the numbers you distribute as against the over-run that Information Canada orders. What is the total cost of your information services? It does not seem to appear separately in your estimates; it is well hidden.

Mr. Murphy: I cannot comment on that; I do not make up the estimates. The Information Services Branch budget for 1973-74 fiscal year is $3,062,200.

Senator Grosart: Would you say that that is a reasonable ballpark figure for all your information services, or do you have some that you do not put through the branch?

Mr. Murphy: That is only for the Information Services Branch. As you understand, the Travel Bureau, which is part of our department, operates separately.

Senator Grosart: But it all comes into the Department of Industry, Trade and Commerce estimates?

Mr. Murphy: Yes, sir.

Senator Grosart: Could we have the total figure again? I mean everything. For instance, the census year comes in your budget, does it not?

Mr. Murphy: No, sir, not ours; that would be Statistics Canada.

The Deputy Chairman: They have their own information services.

Senator Grosart: But isn't Statistics Canada in your ballpark?

Mr. Murphy: No, sir. It reports through our minister, but they have their own information apparatus.

Senator Grosart: But they are under your minister?

Mr. Murphy: Yes, sir, but they have their own information director, and he does not 'phone me.

Senator Grosart: What we want to get at here is this. We are taking your department. We are dealing in this committee with the estimates, and we start with that assumption. We want to find out what are in the estimates of the department. As I understand it, Statistics Canada are in your department?

Mr. Murphy: Yes, sir, in that it reports through the Minister of Industry, Trade and Commerce.

Senator Grosart: You might say the minister has two or three hats, but they still come here and we have to look at them. Could you work out all those figures for us and let us have them? I do not mean now. I am trying to compare the total information cost with that assumed by Information Canada. I might say that I am not an enemy of Information Canada. I would like to see it enlarged, changed and given other services. Would you have any objection, not a policy objection but an operational objection, if in the mandate of Information Canada the words "on request" were taken out, to achieve greater cooperation in the information services? By that I mean, would you object if they were given a stronger mandate than they have? It is now "on request", and therefore they cannot move in unless asked. Would you object to their having a stronger mandate than that operationally? I am not asking about policy now.

Mr. Murphy: No, sir, I don't think I would.

Senator Grosart: It would depend how it worked out and what the mandate was, but in broad principle would you welcome their being able to move in and say, "We think we can improve this. We want to suggest to you that there is duplication"? They tell us that they do that through an interdepartmental committee. To me—and we had this evidence this morning—one of the weaknesses was this "on request". As you know, I have been in the information business, and I would never request other guys to move in on me, although sometimes I think it would have been a good thing if they had.

Mr. Murphy: No, sir, I would not. Frankly, I think that in the early days of Information Canada most of us anticipated that there would be some suggestions or guidance volunteered. I think to a greater or lesser degree we might have been apprehensive about this, naturally, because it was a new organization. However, it never really materialized. No one did try to sort of take over. Quite frankly, as far as our own operation is concerned, we did not think we were perfect, but we felt we knew what we were doing and where we were going, so we were not in the habit of soliciting too much advice.

Senator Prowse: If they disappeared tomorrow, would you miss them?

Mr. Murphy: Certain services they are providing would have to be provided by someone.

Senator Prowse: That they are providing for you?

Mr. Murphy: Yes, sir.

Senator Prowse: And presumably other people.

Mr. Murphy: Common services are provided to other departments.

The Deputy Chairman: Can I establish this, Senator Grosart. You asked for this information of their department's total information services. I did not get the answer from the witness. Can this information be supplied to us?

Mr. Murphy: Yes, it can be supplied.

The Deputy Chairman: Reasonably soon, I hope. Perhaps I could ask this question as well. Would you like a breakdown, of the costs on the domestic aspect and the international aspect as far as their department is concerned?

Senator Grosart: I would like to see it just by functions. I am not interested in it being broken down by personnel, man hours or anything like that. I want the cost of each program, not merely wages and so on, but the total cost of providing information about any of these programs that are your responsibility.

I would now like to ask you to describe your information job in respect of the industrial incentives.

Senator Prowse: Before we move to that, could I ask one supplementary question? In these over-runs that are requested on your deals by Information Canada, to whom is the over-run charged—to your department or Information Canada?

Mr. Murphy: They pay for the over-runs. We absorb all of the overhead, the initial cost.

Senator Grosart: The last time I looked at the list it was up to about 28 incentive programs that you have, all the way from fashion design to PAIT. They are all very important, but business complains over and over again that they do not know much about it. I am sure you have heard the complaints. They say, "We are confused. We do not know whether to go to PAIT", and so on. Could you describe the program of communicating this largesse that you have available?

Mr. Murphy: Of course, we have explanatory literature. I have here the overall program booklet. There are separate booklets relating to each program in detail, but this is just a summary of all of them.

Senator Grosart: You have a better one than that; the little white one which I can carry in my pocket.

Mr. Murphy: "I.T.C. At Your Service"?

Senator Grosart: Yes.

Mr. Murphy: I have that here too.

Senator Grosart: Again, that is an excellent job.

Mr. Murphy: Thank you.

Senator Grosart: Let us consider the case of some fashion designer.

Mr. Murphy: Perhaps I can pursue the fashion aspect. Fashion Canada was started two years ago, designed to pump some life into the Canadian fashion industry. It was a joint government industry committee that worked on the program. There was a literally coast to coast tour made by the fashion coordinator, accompanied by one of our officers, which resulted in a lot of print publicity, radio and television appearances and that sort of thing.

The first year, the officer involved was very persuasive, and managed to talk the CBC into a full hour network program in English from Ontario Place in Toronto, and a not quite as long program, but one on a very significant segment, on the French network program out of Montreal. That happened to be because fashion is a saleable item. We keep plugging away. In the second year of Fashion Canada one of the women's associations sponsored a number of fashion shows across the country, which we publicized in the usual way. Again we had people going in advance and getting as much newspaper, radio and television exposure as possible.

Our techniques vary with the type of product or the industry. For the Paris Air Show we were promoting the Canadian aviation industry and aerospace. We brought journalists from Europe and the United States four or five months in advance of the show and gave them a look at the Canadian aerospace industry, touring Montreal, Toronto, Winnipeg and so on.

Going back to fashion, we have been very successful in the New York market, and more recently in Los Angeles, with the promotion of ladies' and men's outerwear. We have two shows a year in New York, which are held in the McAlpin Hotel, right in the centre of the garment trade at Seventh Avenue. We do not do very much paid advertising; the publicity we get is of the public relations or arm-twisting type.

Senator Grosart: You are very up to date if you have as your coordinator a "he" in the fashion business!

Senator Manning: Mr. Murphy, do I understand from your earlier answer that most of your publications are distributed unsolicited, based on the list you spoke of?

Mr. Murphy: That is true.

Senator Manning: Do you have a paid subscription list in addition to that of publications to which businesses or individuals subscribe on a regular basis?

Mr. Murphy: No, sir, we do not. Generally our publications are available free of charge to the business community. We try to be as selective as we can be in putting someone's name on the list. We do include, for instance, the economic departments at universities, libraries, that kind of thing. We do not just add any name to the list. If somebody writes in on a piece of paper in pencil and wants a subscription to *Canada Commerce* we try to follow up a little more, perhaps through our regional office, before we put that person on the list.

Senator Manning: Do you have any system of following up the firms to whom you send this material, to ascertain after a lapse of time whether they wish to have it continued?

Mr. Murphy: Yes.

Senator Manning: What is that?

Mr. Murphy: We send them a card once a year, asking if their address is correct, if they wish to continue receiving it; just to check up. We follow the same procedure with our overall distribution list for departmental statements, press releases and so on.

Senator Manning: Does this result in many deletions? Is there much response to that type of thing?

Mr. Murphy: On *Canada Commerce* very few. As a matter of fact, its circulation is increasing on a request basis. We are not pushing it actively.

On the programs themselves, another device we have used is to have seminars in the various provinces across the country, to which we have brought officers from Ottawa who have expertise in these various programs. There have been day-long seminars to which our regional offices have invited practically everyone in the area with whom they were familiar who they thought could benefit from this. Through February and March we had 16 seminars across the country on export marketing development. These were worked out on a combination of the industry sector best related to the particular part of the country where the seminar was being held. Industry representatives from our department, say from the forestry industry, the food industry, and so on, were at these seminars. At the same time, we brought in trade commissioners from posts abroad who were in territories where these particular products could best be sold.

Senator Grosart: I appreciate the fact that your information program is much more than publications and press releases. Do I understand that when we get this breakdown you will be able to give it product by product, in detail, with costs, and possibly "bodies"? The reason I ask that is, one of the things I think we are going to be trying to do is to see what kind of programs there are in your department that might be really national in scope, or might be thought of as national in scope. You spoke of the aerospace industry. Communications people and others are in this field. There is STOL, which was a bad job of communications, plus a lot of stalling and so on; but it never did get across what it was all about. I don't know where the fault lay.

Mr. Murphy: We may sell it yet, sir.

Senator Grosart: We all hope you do. This is what we are trying to get at. Perhaps what I am suggesting is that maybe there are areas where it is a mistake to hold a certain information program within a department. If this is so, then we can see some justification for Information Canada getting certain things off your hands and co-operating with you and co-ordinating with other people in the same field. So, if we could have that list, it would be very, very helpful, even to the extent of giving an estimate of your information costs, say, against all the incentive programs. I am only asking you to go as far as you can, but it would be very useful to us because the industrial incentive programs are an essential part of our economic future.

Mr. Murphy: Sir, would you consider the cost of sending an officer to Calgary or to Moncton to participate in a seminar on PAIT would be part of the information cost?

Senator Grosart: I would leave that to you because you are an expert in the field. It is not always easy to decide. But if somebody is going out there to give information about PAIT rather than to expedite the operation, that is something else to be considered. However, I will leave it to you.

Mr. Murphy: The reason I raise the point is that these are not information officers who do this; they are departmental officers whose day-to-day work is PAIT and nothing but PAIT.

Senator Manning: If Information Canada was made the one distribution agency of the Government of Canada for information—and I am not talking about departmental specialists, but as far as the disseminating and printing of material, and so on—and all information from various departments was disseminated to the public through Information Canada, would you see this as seriously circumscribing the operation of the department? Would you see it creating serious difficulties if that means were used rather than having 39 departments, each doing some dissemination of information, plus Information Canada in other areas?

Mr. Murphy: It is difficult to give a succinct answer to that. The only parallel that I know of is the Central Office of Information that the British Government has, and I think that before Information Canada was set up, it was looked at in some detail. Now I have not looked at it since 1965 when I was a part of a small group of government people who went over and looked at the Central Office of Information, and at that time it operated very efficiently, providing a common information service to British Government departments except for press releases. The departments had their own press officers, and the C.O.I. operated on the account executive assignment principle whereby an officer would be assigned to a department and he had to familiarize himself thoroughly with that department's operations. It does occur to me that having been five years in our department, and four years before that with the Department of Industry, that it is all I can do to stay on top—and I am not too sure that I am always on top—all the time of the things our department is doing, and even with the assignment of information officers in the branch to different aspects of the department's operations, it is very difficult. If you superimpose one agency to be au courant with everything that every government department and agency is doing from one central position, then I think that would be a very difficult task. I know that in some departments there is even now, and there always has been, a tug of war for a certain branch or a certain segment of that department to want to have its own information officer. They want to get him out of the central information branch and get him in there. That, fortunately, has not happened in our department but it has happened in others. And a good case can be made for it.

Senator Manning: This is a natural tendency in departments, and I can understand it, but would that same attitude prevail within all the various government departments which now have substantial information services of their own, to the extent that it would make wholly impracticable the concept of a central agency for the dissemination of information? Here I am not talking about production, because each department would naturally have to produce what they felt was most desirable and necessary to fulfill their function as a department. I am speaking only of the distribution to the public.

Mr. Murphy: I would say from my somewhat out-of-date look at the British Central Office of Information that the Canadian Government set-up is not any more complicated than the British one, and if it worked there, I would

assume that given time and sufficient resources, it could be made to work here, but I think it would take a considerable length of time to make it work. I don't know how long the C.O.I. has been in business, but I think it grew out of a wartime ministry.

Senator Grosart: The Ministry of Information, and my impression is that it is now almost entirely involved in the distribution of publications and print. As you say, it does not handle press releases.

Mr. Murphy: In 1965 when I was over there looking at it, they did undertake television commercials for various departments. They had the post office and others engaged in getting directly to the public.

Senator Manning: And press releases are hardly in the same category as those other things, because there is the importance of the time element. A press release that is two days old is useless. If a department has to go through a central agency to the press, then that complicates the situation. I raise this question because there is, I think, a complication of opinion in the minds of the Canadian people today, that is widely recognized, that you either have a central information agency which really controls the distribution of all publications and material, or you have that authority vested entirely in the departments, or else you have what we have today, which is a combination of both. I know that there are some of us, and I am certainly one, who have very great doubts if a combination of both serves any practical purpose. It just pyramids something on top of something that already exists. There either has to be one central agency which is in control of information distribution or else you are just as well to leave it in the responsible departments. I think this committee is going to have to come up with a judgment as to whether just one or some combination of these is in the best interests of Canada. So I was wondering what your reaction would be, as one of those responsible for administering the department.

Mr. Murphy: Well, it is difficult, when you are involved in the thing, to back off and be objective. I came to the government in 1964, from an advertising agency, and I felt then that there was a need for more coordination in the government information operation, and yet after 9 years, and being involved with two departments, which became one department, I don't think that if a central agency were to be created you would wind up in the long run with less people or spending less money. But it might, in the long run, be more effective. I really cannot say. But the operations of individual departments, from the experience in our own, become increasingly complicated. The programs such as the incentive programs are complicated. I know that I have tried to explain them a few times, and I always wind up reaching for the book. Now to assume that a central agency will be able to have this depth of expertise in each department and agency for whom it is responsible—I do not suggest it will be impossible, but I think it would be very difficult.

Senator Manning: Did you find in your own department any indication of the confusion on the part of the public or the commercial groups you deal with as between the department's function in this information area and that of Information Canada? I ask that because it is true to say that in the mind of the public generally, when Information Canada was established their information was that this was a central agency where Canadians would get information about the function of the Government of Canada. Do you find that carried over into the groups that you deal with?

Mr. Murphy: No, sir. Of course we are fortunate, and I think that is the right word, in that we are dealing with the business community, which is a pretty well informed group, and they have their representatives and associations like the CMA and the CEA, and they keep pretty well plugged in. Occasionally you pick up the telephone to find that there is some person who has a very basic question to ask but does not know where to go to get the answer. That is the type of call that comes to Information Canada and is relayed to us if it relates to our department. But I do not feel that there is any problem as far as our department is concerned, because we have cultivated our publics—if you will excuse the public relations jargon—over many years. The branch that I have now has been in existence for many years, and I think that *Canada Commerce* and *Foreign Trade* has been going on for 30 or 40 years.

Senator Manning: I think this comes back to the point that was made by Senator Prowse. If Information Canada passed out of existence tomorrow, I think your work would be exactly the same as it was the day before.

Mr. Murphy: I would get up and go to work the next morning.

Senator Prowse: I have been wondering, as I listened to the conversation, what would happen if your department became, in effect, part of Information Canada, and you became in effect, an executive of Information Canada for the Department of Industry, Trade and Commerce. What do you think would be the effect on the work you have to do and how it would work in that situation?

Mr. Murphy: Well, I guess the most immediate effect would be that I would be in a sense serving two masters, which is the classic dilemma of the advertising man who has a client and a boss. That, I think, would be the main impact.

Senator Grosart: Aren't you serving three masters at any time? I say that because one of the problems that this decentralization seems to raise for me, at any rate, is that as you said your "public" is largely the business community. So far as Agriculture is concerned, their "public" would be the farmer. But nobody seems to be thinking seriously—and this is probably the rationale behind the Information Canada idea—of the larger public, Canadians who need to be informed generally of the purpose of, say, these incentive programs. So in Canada today you have a good deal of confusion as to the public interest of, say, the corporate tax cuts, or special incentives, or, to use the word that Mr. Lewis used, corporate "rip-offs". Do you see this as a role for Information Canada?

Mr. Murphy: Yes, sir, I do. I think there was a basic premise when Information Canada started that the public, in the broadest sense of the word, was not aware of everything that the federal government was doing, and the impression was given at the time that this was going to be corrected.

I feel that this is something that was very difficult for a particular department to do.

We have our hands full with our . . .

Senator Grosart: Your mission.

Mr. Murphy: . . . with our constituents now, the CMA, the business people, and Agriculture with the farmers, and so on.

I believe Senator Manning asked about confusion between Information Canada and ourselves. The place where I have run into a sort of identity gap is between our department at the federal level and various provincial industry departments. You know, people just do not make the distinction. The names are sort of the same and it is all government.

Senator Rowe: Mr. Chairman, the witness today is the Director of the information services Branch of the Department of Industry, Trade and Commerce, and I note that later we will have Dr. Carman, the Director of the Information Division in the Department of Agriculture. Is there any consistency in the terminology here? What exactly is the divison or the agency which you represent? What is it called?

Mr. Murphy: The Information Services Branch.

Senator Rowe: Well, is the term "division" correct, as I have read it?

Mr. Murphy: I believe it is correct, yes, sir.

Senator Rowe: So there is no consistency, then: one department can have an information branch and another can have an information division—is that right?

Mr. Murphy: Yes, sir, and some departments you will find have what is called a Bureau of Public Affairs.

Senator Rowe: I see. Does every major department of the government have such a branch or an equivalent of it—and information branch, service, division or whatever?

Mr. Murphy: I think most of them do, sir. The size of the operation varies.

Senator Everett: Perhaps Senator Rowe would be interested in some information we were given at this morning's hearing. Information Canada told us that there were 1,039 information officers in the Government of Canada, of which Information Canada had but a small proportion. One would expect, Senator Rowe, that almost every government department has an information service division. They are of varying sizes.

Senator Grosart: Perhaps the distinction should be pointed out that this is part of the Public Service hierarchy. A branch is one step above a division. I am surprised you have not graduated to a division, Mr. Murphy!

Mr. Murphy: Well, sir, in our department a division comes under a branch.

Senator Grosart: In the Public Service payroll does the head of a division receive a higher salary than the head of a branch!

Mr. Murphy: Not necessarily, sir, if you will excuse my saying so.

Senator Rowe: I am just a novice here, but the terminology I am used to is this: the major division of government is the department; the department may be divided into branches; the branch into divisions; and the division into agencies. Is there any consistency here at all in that regard?

Mr. Murphy: No, sir, there is not.

Senator Rowe: Presumably, every government department in Ottawa has an information service by one name or another. As Senator Everett pointed out, we were informed this morning—although I could not be here because of other commitments—that there are over 1,000 information officers. Surely, there must be a tremendous amount of confusion airising in the minds of the public as a result of that? Certainly, there is in my mind, and if I, with a background of experience in public life, am confused at times, the man who does not have that experience must be even more confused, I would think.

What is Information Canada?

The Deputy Chairman: I appreciate that you were at another meeting this morning, Senator Rowe, so you could not be present when Information Canada was before us. They will be before us again tomorrow morning, however, and I think that you should put that question to them at that time.

Senator Rowe: Surely, Mr. Chairman.

Now, I have one other question with respect to libraries. When the witness referred to departmental library services, did that have anything to do with the Parliamentary Library here?

Mr. Murphy: No, sir. I was referring to the library within a department with a trained librarian running it with the view to providing the type of special information and specialized publications that a department such as ours has to have.

Senator Rowe: You spoke of a transfer of 50 personnel. Were these people connected with the library?

Mr. Murphy: Not all were library people, sir. There were two or three units that were transferred when there was a re-organization of departments. They were given to me as a bonus without any additional remuneration. They looked at information in the broad context and figured, I suppose, that a library was part of an information service and so I got the library.

Senator Rowe: Does your information division have any responsibility at all to Information Canada?

Mr. Murphy: No, other than on an information basis to provide them with copies of everything we put out.

Senator Rowe: That is a routine matter, then?

Mr. Murphy: Yes.

Senator Rowe: They have no jurisdiction at all over your information division.

Mr. Murphy: There is one significant point that I should have mentioned earlier. We have been and are involved with Information Canada in the federal identity program. Information Canada have initiated it and it is being implemented on a phase-in basis with various departments. The Department of Transport is using it now. It is a program which, by using the bar and Maple Leaf and the name of

the department, hopes to provide some kind of uniform identification of federal departments in order to get away from the idea that every department should have its own little symbol. Information Canada initiated this program and are now phasing it in. We are working with them now with a view to implementing it in our own department.

Senator Carter: You have $247,000 in your budget this year for library services. Is that for the purchase of books? If so, are they books for your own library only on trade and commerce, or are they books that you make available to Information Canada?

Mr. Murphy: Well, we make them available, sir, to anybody. There is quite an interdepartmental loaning system. If someone in our department has the need for a particular publication that may relate to, for instance, agricultural science and we do not have it, it will be obtainable from the agricultural library. All the departmental libraries work very closely together.

Senator Carter: Are these all technical and trade books that you are buying with this $247,000?

Mr. Murphy: Well, sir, it is $229,000 which includes books and audiovisual services and that is all lumped into that one figure. Also included in that are subscriptions to periodicals.

Senator Phillips: Mr. Chairman, I am going to be very brief and very haughty. I am not going to be popular with the members of the committee when I say this, but for an hour I have been attempting to ask certain questions. I have not been given the opportunity and I am not going to sit here and listen to Senators Grosart and Everett come in with certain planned questions. I have had it! Unless you are prepared to recognize that someone else other than the two honourable gentlemen I have referred to might have a question, I don't intend to waste my time sitting here listening to their prepared questions.

The Deputy Chairman: Senator Phillips, I wonder if before you go you would allow me to point out that you now have the opportunity to ask a question or questions, and I wish you would do so now. As for your reference to Senator Everett, I should point out that Senator Everett is last on the list and has not yet asked a question all afternoon.

Senator Phillips: That's funny. I have great difficulty in getting ahead of him.

The Deputy Chairman: He has not asked a question yet. He may have asked a supplementary, but he has not asked a question. Would you like to ask a question now, Senator Phillips?

Senator Phillips: Yes, I would like to ask one question, and then I am leaving. I am fed up with this facade, this damn nonsense of being a committee when you come in and you have everybody all lined up beforehand with their questions.

I have a lot of questions that I would like to ask, but I am not prepared to come back until I am given the freedom of questioning. I note within the Department of Industry, Trade and Commerce that you are dealing with certain information departments, and one of the panels of information given to us denotes one man-year as $30,000 per year. When I check that with the other departments it still works out to about $30,000 per man-year for information officers. How do you justify that in comparison to other levels, including senators, members of the House of Commons and cabinet ministers?

Mr. Murphy: I am sorry, senator, but I don't know what figure you are using. I can assure you, however, that no information officer in my department—and I include myself and wish it were otherwise—makes $30,000 a year.

Senator Phillips: Referring to your estimates for your budget, I note that you have information services within the staff magazine, with the number of man-years as one and the cost as $30,000.

Mr. Murphy: That would be approximately $15,000 for the editor and part-time and clerical help, and $15,000 in publishing production costs.

Senator Phillips: May I have a further breakdown of that figure? What is the salary of the information officer?

Mr. Murphy: The average salary of information officers?

Senator Phillips: He has referred now to a specific case. I want to know what the salary of the information officer is in this case.

Mr. Murphy: It would be close to $15,000; it would be between $14,000 and $15,000.

Senator Phillips: And the other $15,000 is where?

Mr. Murphy: In the printing and production costs of the publication itself.

Senator Phillips: Where does that printing and publication go?

Mr. Murphy: You mean the distribution? It goes to all staff members of the department.

Senator Phillips: I am not interested in who it goes to. I want to know where the other $15,000 is apportioned in the Auditor General's Report.

Mr. Murphy: It would pay the printer, and the costs of engraving, typesetting and everything else that goes into the process of getting out a publication.

Senator Phillips: What would it cost for printing for this information officer who is getting $15,000 per year?

Mr. Murphy: I am sorry, sir, I do not understand.

The Deputy Chairman: It would appear to me, Senator Phillips, that the labour cost is 50 per cent of the total budget; the rest is supplies, distribution and so on. Is that correct?

Mr. Murphy: That is right, Mr. Chairman.

The Deputy Chairman: Does that answer your question, Senator Phillips?

Senator Phillips: No, it does not, Mr. Chairman. Of the $30,000, $15,000 is the salary to the information officer. Would you break down the remaining $15,000?

Mr. Murphy: I cannot distinguish between the cost of paper and printing, but it would include paper, typesetting, printing and mailing the magazine to the employee's home.

Senator Phillips: How does that make up the $15,000?

The Deputy Chairman: That makes up the $15,000.

Mr. Murphy: I could provide that, Mr. Chairman.

Senator Phillips: About half.

The Deputy Chairman: The witness can provide that for us. He does not have the information now. He can provide it, if you would like to have that.

Senator Phillips: What is the average cost to the department in man-years? I can go through this paper in front of me which indicates so many man-years and so much salary. What is the average cost?

The Deputy Chairman: The cost in the department in relation to man-years?

Senator Phillips: Yes.

The Deputy Chairman: How many man-years, and what is the cost to your department?

Senator Phillips: Is it $30,000, $40,000, $20,000?

Mr. Murphy: The total number of people in the branch is approximately 145; the total of the salaries is $1,529,600. I would suggest it is in the neighbourhood of an average of approximately $11,000 a person; that is averaged out over officers and clerical staff.

Senator Phillips: How do you arrive at that figure, sir?

Mr. Murphy: Dividing the number of employees into the budget.

Senator Phillips: The number of employees in what department? I would like that defined.

Mr. Murphy: In the Information Services Branch of the Deaprtment of Industry, Trade and Commerce.

Senator Phillips: That is what I wanted. I notice that in the budget and the cost you refer repeatedly to a fashion show known as "Solo." What is that? I am intrigued by this. You are sending various items of men's wear, women's wear and so on to a Solo show in London. New York, San Francisco, Hong Kong and so on. What is Solo?

Mr. Murphy: A Solo show is one in which Canada alone is participating. It is not like a trade show where, for example, there are United States exhibitors, British and other countries.

Senator Phillips: Has anyone ever done a cost-benefit analysis on that Solo show?

Mr. J. F. Bradley, Assistant Director of Fairs and Missions Branch, Department of Industry, Trade and Commerce: Yes, we have done cost-benefit analyses on these shows. There is a cost-benefit analysis done immediately after the close of the show, which is not entirely conclusive in that many of the sales that result follow some weeks or months after the show. The year end increase in exports of that particular commodity to that market is the really true indication of success.

Senator Phillips: Can you give me a specific item of Canadian production that has been sold as a result of one of these shows?

Mr. Bradley: A specific type of item, for instance?

Senator Phillips: I don't care if it is men's, boy's or women's wear.

The Deputy Chairman: Shoes.

Senator Prowse: Snowmobiles.

Mr. Bradley: I think you are referring to the solo shows that you just spoke of, are you?

Senator Phillips: That is right.

Mr. Bradley: These have been confined primarily to the field of apparel and textiles. I think one of the perhaps greatest areas of success has been the introduction and sale of women's winter clothing, and also children's winter clothing, in the United States or British market, as the case maybe.

Senator Phillips: What would that amount to?

The Deputy Chairman: In dollars?

Senator Phillips: Yes. I do not want it in yen or anything like that; I prefer it in dollars.

The Deputy Chairman: In any given year?

Senator Phillips: Yes.

Mr. Bradley: For those specific items?

Senator Phillips: Yes.

Mr. Bradley: I am not sure I can quote them to you accurately on the basis of memory.

Senator Phillips: I want accuracy, sir.

Mr. Bradley: Then I will get that information for you.

The Deputy Chairman: Perhaps we can get that for you, Senator Phillips.

Senator Phillips: Yes, that is what I meant by that remark. What does it cost the Department of Industry, Trade and Commerce for an inquiry? For instance, suppose someone 'phones in and asks what they can trade in Hong Kong. I have a particular reason for asking this; I am going back to what was said this morning. Have you ever estimated what it costs you to accept a telephone call?

Mr. Murphy: No, sir, I cannot say that we have.

The Deputy Chairman: Are you asking the cost per inquiry, or are you specifically asking for telephone inquiries? Is it inquiries by letter, telephone or personal?

Senator Phillips: Basically, I have taken a number of inquiries from Information Canada and divided them into the budget, and it comes out to an astonishing figure. I am wondering if the Department of Industry, Trade and Commerce have done that.

The Deputy Chairman: Information Canada's information was on their total inquiries from all sources. Is that the question you are now asking?

Senator Phillips: Yes.

The Deputy Chairman: All sources, not only telephone?

Senator Phillips: Yes.

The Deputy Chairman: Would you have an estimate of the number of inquiries?

Mr. Murphy: We are averaging this year approximately 1,000 inquiries a month directly to the department, of which roughly 70 per cent are by letter and the balance by telephone.

Senator Phillips: You have 70 per cent by letter, as opposed to Information Canada which has 70 per cent by telephone. Is that right?

Mr. Murphy: Yes, sir.

Senator Phillips: I note that you have in your budget certain items for fares paid by the Wood Council. What does the term "Wood Council" mean? I put that in a certain connotation and I would like to have it clarified.

Mr. Bradley: I think the Wood Council referred to is the association of people in the wood products industry in British Columbia. If I am right in my assumption of what you are referring to, senator, they have taken over the exhibit that had been produced by the department initially to promote the sale of wood products in various markets. When it no longer served any further purposes to the government, they took it over to carry on its use to promote wood products on their own behalf.

Senator Phillips: What is the relationship between the Wood Council and the Canadian Wood Council, which, as I understand it, is an association of various people dealing in the production of, say, plywood and so on? What is the difference between those two? May I have that distinction?

Mr. Bradley: I believe it is one and the same organization that is referred to.

Senator Phillips: You say they limit it to British Columbia.

Mr. Bradley: Yes, that is my understanding. I am sorry, the Council of Forest Industries represents British Columbia. The Canadian Wood Council is national.

Senator Phillips: I will ask one further question and then I will desist for the moment, with the right to ask further questions later. How many inquiries have been received by the Department of Industry, Trade and Commerce concerning prefab housing?

Mr. Murphy: I would have to dig that out for you, senator. We can provide it.

Senator Phillips: Have you received any inquiries from countries such as Libya?

Mr. Murphy: Again I would have to go to the Wood Products Branch for that.

Senator Phillips: Have you received any inquiries from Israel, and have you received any competition from communist countries such as Hungary?

The Deputy Chairman: Perhaps, Mr. Murphy, you could supply that information to us?

Mr. Murphy: Yes, Mr. Chairman.

The Deputy Chairman: Thank you very much.

Senator Everett: Mr. Murphy, I have the branch summary sheet, which I would imagine is an excerpt from the 1973-74 estimates. It shows a total budgetary expenditure for the Information Services Branch of $2,993,000. The figure you gave us was not very far away from that, but it was different, at $3.06 million.

Mr. Murphy: Yes, sir. I must say I am guessing here. I think there were some additional people transferred to us.

Senator Everett: Yours would be the more current figures?

Mr. Murphy: Yes, sir.

Senator Everett: This would be substantially correct?

Mr. Murphy: Yes, sir.

Senator Everett: The area of the audio-visual services that you provide is also one, because of the photo services provided by Information Canada, where you are both involved. Could you distinguish for me between those two areas and tell me if it is an area where Information Canada should take over that function of your branch, and you should contract for it, as you do with the other audio-visual services that they provide?

Mr. Murphy: Let me take the first part of your question, senator. Our audio-visual group, which is small, comprising five people, has one photographer, a darkroom technician and two technicians; we have an internal closed circuit videotape system, which is used for departmental training and internal communications. These five people service that operation. We also prepare film strips of a promotional variety which are used at our posts abroad and the subject matters are varied, sometimes dealing with the electronics industry, the aerospace industry, the STOL system, the Airports for Export Program and that sort of thing. As to where a central audio-visual facility should be located, it would not bother me if it were in Information Canada or any other central location as long as we could get service.

Senator Everett: So, if it were transferred in its entirety to Information Canada, you would be as happy to contract for it as you are to run it in your own department?

Mr. Murphy: Well, the technology keeps changing, particularly in the area of videotape production, and the hardware is expensive. It is a very difficult thing for an individual department to stay abreast of. If operated on a scale basis centrally, I think it would be an improvement.

Senator Everett: Does the same thing go for—I guess it is under promotional activities—for trade fairs as compared to their contract department which runs expositions and displays? Do you feel that Information Canada could take over some of the trade fair activities of your department, or in your judgment do you think that would be a retrograde step?

Mr. Murphy: Well, they are much involved in our trade fair program now.

Senator Everett: Do you contract with them for certain services?

Mr. Murphy: We make the decision as to what trade fairs to go into, and I would suggest that our department is in the best position to make those decisions, based on the information supplied from our posts abroad, from our knowledge of foreign markets and from our industry sector people. So the basic decision as to whether or not to participate in a trade fair is taken in the department. Once the decision is taken, it goes into the hands of Information Canada for contracting for space.

Mr. Bradley: Information Canada contracts for the space and also undertakes the design and construction of the exhibit.

Senator Everett: You do not contract with any individual or private firms? Does all your contracting take place through Information Canada?

Mr. Bradley: We are required to deal only with Information Canada by the terms of reference that they have been given by Treasury Board.

Senator Everett: So, once you take the decision to undertake a trade fair, then you deal with Information Canada from that point forward?

Mr. Bradley: Yes.

Senator Phillips: If I recall the evidence this morning correctly, it was stated that Public Works made the arrangements for leasing and that sort of thing.

The Deputy Chairman: If I might answer that, senator, because they cannot answer on behalf of Information Canada: the witnesses this morning from Information Canada were talking about space that they would rent for information centres in cities within Canada itself. Here we are talking about trade fairs outside of Canada primarily, but some within Canada.

Senator Phillips: That is the distinction I wanted to make.

The Deputy Chairman: If I might ask a supplementary question of Mr. Bradley: Are you satisfied with the services supplied by Information Canada?

Mr. Bradley: Yes, I think we are.

Senator Everett: You gentlemen have had long experience in the information business, so perhaps I should put this question to you, Mr. Murphy. What would you do with Information Canada?

Mr. Murphy: May I ponder, sir, for a moment?

Senator Everett: While you are pondering, what we are trying to determine is whether or not the agency is performing a useful function. Should it be enlarged or should it be truncated or turned in a different direction? Should it, for example, just handle inquiries? Should it be the receptive arm of information for government and not be involved in the dissemination of information to the public? Should it be the arm of Treasury Board that polices the information services provided by the various departments and agencies of government? These are questions we have to ask, and you have been in the information business for a long time, and you have been, I think you said, 9 years in government, so you must have formed some ideas as to the sort of role an agency like Information Canada should or should not play.

Mr. Murphy: Well, senator, I think it is a fact that the Canadian public as a whole is not as informed as it might be on the good deeds of the federal government or the operations of the federal government.

Senator Phillips: Just a moment, you are on slippery sand there.

Mr. Murphy: I am sorry, I did not mean that in many political context.

Senator Phillips: Watch it!

Mr. Murphy: I think I should say programs and activities, if I may change the expression, of the federal government, irrespective of who happens to be the government of the day. With the present organization I have to be concerned with what Industry, Trade and Commerce are about. My colleague at Agriculture has the same problems in his bailiwick, and it is difficult for us to take a long term view beyond the end of our own programs and activities.

Senator Phillips: But at $30,000 a year, shouldn't you see beyond tomorrow?

Mr. Murphy: When I get $30,000 a year, sir, maybe I will be able to extend my horizons, but at the moment I am not prepared to go beyond that.

Senator Prowse: Mr. Chairman, it is hardly fair to ask a person in one department, no matter what his position in that department may be, to express an opinion as to whether another department should or should not exist, because that surely is a matter of government policy. If we had a minister here, it would be different, but to ask Mr. Murphy that question is hardly fair.

The Deputy Chairman: I appreciate that, senator, but I took the question as being related as between one department and another.

Senator Everett: I would have to disagree with Senator Prowse. I am merely asking the witness whether or not in his experience Information Canada can or cannot play a role, and what he would do with it. If he finds that compromising, of course he can refuse to answer and I would accept that; but I do not think that the witness does find it compromising.

Mr. Murphy: Not as far as I have gone, sir. I think there is a role for Information Canada to play in the area I have just referred to. In other departments they are concerned with their departmental priorities and programs, and I am sure that any of my colleagues in other departments would say pretty much the same thing. I have PAIT, IRDIA, GATT, the Paris Air Show, and at any given time that is all I can handle. These are matters that are of immediate concern to my deputy minister, to my department and to my minister. I do not have time to focus on whether the people in the outports in Newfoundland or up the B.C. coast know what we are doing, but I think it is safe to say that the people there, as citizens, have as much right to know as those in Toronto or Montreal, and are entitled to the same sort of information, which is beyond our resources to provide. It is beyond individual departmental resources to provide.

The Deputy Chairman: Are there any further questions?

Senator Phillips: May we adjourn, subject to the recall of the witness?

Senator Carter: Could I ask one final question? On this summary sheet that Senator Everett referred to there is an item which says "Industry trade inquiries". Where are these inquiries from? You have an item there for $410,000. Are these inquiries from industry, from people generally, or where do they come from?

Mr. Murphy: They come from business people, they come from chartered accountants, consultants on behalf of their clients, and lawyers, and they come from just about every source you can imagine, from somebody who wants to open a dry-cleaning service, for example.

Senator Phillips: How many come from foreign countries?

Mr. Murphy: The ones that come from foreign countries, sir, come basically through our posts abroad and they average about 9,000 a month. In March we had 9,000 and in April we had 11,100.

Senator Phillips: And of the 9,000 or the 11,100, how many eventually established in Canada?

Mr. Murphy: I couldn't answer that. This is not necessarily a matter of estabishing in Canada; it is a matter of inquiring about Canadian goods.

Senator Carter: Would any of these inquiries come from Information Canada?

Mr. Murphy: We have to answer a number of inquiries that are delayed to us or we supply the information to them so they can answer, but we only tabulate the calls that come to us.

Senator Carter: And you do not include in that the inquiries from other government departments?

Mr. Murphy: No.

The Deputy Chairman: Thank you very much indeed, gentlemen, for being with us this afternoon.

We have another witness appearing and I would appreciate it if honourable senators could stay for the next witness.

Honourable senators, we start this portion of our afternoon hearing with Mr. Arthur Blakely. We would appreciate having an opening statement from you, Mr. Blakely, after which we will put some questions to you, if you do not mind. Will you proceed?

Mr. Arthur Blakely, Parliamentary Press Gallery: I have not brought anything in the nature of a brief because the Press Gallery agrees on absolutely nothing, including the details of the operations of the Press Gallery. Where I purport to deal in facts they are based on my own experience and probably would be approved by most of my colleagues. Where I deal in matters of opinion, I would not be confident of anything. I just enter that little demurrer right off the bat.

I see that what you would like to have from me is some kind of appraisal of the quality and quantity of information we receive from all government sources, particularly from Information Canada.

During the past week my intake of news releases, information sheets of all kinds, was 13½ inches tall, and that covers a good deal of material. It covers everything—that is, the Statistics Canada releases and everything from that right up to the prime ministerial releases; everything released for our assistance and guidance. I might tell you, parenthetically, that of that 13½ inches, so far as I know, not one single document came from Information Canada.

I would not say that I am totally unacquainted with the operations of Information Canada. I can recall several occasions since 1970 when Information Canada did participate in information activities involving the Press Gallery. These were, in the main, announcements made by several departments, such as the winter works program, the summer youth employment program, and programs like that. As many as five or six agencies were concerned, and it had apparently been thought desirable to have Information Canada co-ordinate these. But these are few and far between.

I can think of perhaps three or four occasions since 1970 when I know that, so far as information is concerned, I was in the hands of Information Canada.

I do not go to Information Canada for information. If I need information, I go to the departments and agencies. I have tried on a few occasions going to Information Canada and I have not found them very well informed. I have not even found the documents very well informed. But that is a personal judgment and reflects my own views.

Having said that, probably it is just as well to submit myself to the questions you have to ask, which I will answer to the best of my ability.

Senator Prowse: Do you get the information from the departments as quickly as you would like?

Mr. Blakely: It varies greatly from department to department. Some departments have first-class information mechanisms. Finance is very good; the Prime Minister's office is very good; External Affairs is very good. You must understand that there is a conflict of interest here. Sometimes the news that all of these departments may have to relay is not the news I am particularly interested in securing, even in the same area.

Take the killing of the two Canadian girls in Zambia for example. In that particular instance the Department of External Affairs was extremely helpful in relaying to us the information that they wished us to have. There was, however, additional information which the department had which we would have loved to put our hands on, but that is a genuine conflict of interest and we understand it and we are pretty philosophical about it. We will try our best to secure that information. I am not talking about leaked documents here. To me, this is standard information which is being withheld for diplomatic convenience, perhaps, or something of that sort.

Senator Prowse: If it had been Information Canada that you had gone to, would you have received any more information than you received yourself from the department?

Mr. Blakely: I don't think so.

Senator Prowse: Would they have gotten as much?

Mr. Blakely: No, sir, not to my knowledge. You see, had I tried to secure the information from Information Canada and had they been given this responsibility directly, as they have not been, they would have had to go to the Department of External Affairs and ask, "What can you give us?" They would then receive, I would wager, precisely what we would receive; and then, how much of that would they relay to us? There would be a delay because it would be passing through two hands rather than one.

Senator Prowse: This is probably a leading question, but is it true that the newspapermen, generally, and the Press Gallery men in particular, would be happier to get their information directly from the place closest to the source rather than have it relayed to them second-hand from somebody else?

Mr. Blakely: Of course; it would be much faster, senator.

Senator Prowse: And probably more accurate.

Mr. Blakely: I can go higher probably, on my own initiative, than they can.

Senator Prowse: They might not have the right angles or the particular questions you would want to ask.

Mr. Blakely: Also I and my newspaper have special interests which can be looked after when I serve myself in that way. I don't think Information Canada would ask the right questions for me. We are a Quebec newspaper. We have to concern ourselves always with that fact. That is our problem. But the problem arises equally for someone who represents a Regina paper or a Vancouver paper.

Senator Prowse: Would it be correct, then, to say that regardless of what they did with Information Canada, the newsmen would inevitably try to get as close to the minister or to the source of the news they were after as possible, rather than be satisfied with a hand-out from a government department which was being fed news by somebody else?

Mr. Blakely: We would not buy a pig in a poke, senator. Why would we give up what we have now for something that almost certainly would not be as satisfactory from our standpoint?

Senator Prowse: Do you see any useful role for Information Canada, then, aside from providing news to the Press Gallery, which I take it you do not see as being of any value to you at all, really, except possibly for background information? Or would you sooner get that from the department as well?

Mr. Blakely: I would much rather get it from the department, sir.

Senator Prowse: So far as their dissemination of information direct to the public rather than through the press is concerned, how would you comment on that?

Mr. Blakely: I would not have the slightest objection.

Senator Prowse: Have you given any thought at all to the distribution of government publications and things of that sort through Information Canada?

Mr. Blakely: Well, I happen to regard Information Canada as a rather unhappy agency. It has had bad luck from the beginning. It was set up on April Fool's Day and it has never quite escaped this. If you look at its history in detail, that is the way it has carried on. It has gone from one disaster to another. It has had a succession of ministers, a succession of directors. People have left after squabbles which were very unpleasant. It is an unhappy place to work in, which is evident from the record.

I have two points of contact with Information Canada: one is as an observer, just as you all are; and the other is as a consumer. As a consumer, I say to you without fear of contradiction that Information Canada could be atom bombed tonight and we would not know about it for years. It is as an observer that I know something of the circumstances in which it is functioning.

Senator Prowse: A moment ago you mentioned the case of the involvement of several departments in an information function and Information Canada providing the co-ordination for that. You referred to the youth program, the winter works program and so on. Did I understand that you received information in those cases from Information Canada?

Mr. Blakely: Yes.

Senator Prowse: Did that serve a useful purpose, or did it shorten the period of time it would have taken you otherwise to get the information? Were you satisfied with it, in other words?

Mr. Blakely: I don't think that it made any difference so far as we were concerned. I think it may have helped the departments. I think there were six agencies involved, six fairly big agencies, and the question would naturally arise in preparing for these events, "How should we handle this?" Treasury Board would want to know where and how their interests were going to be looked after, because, after all, they had a role in it. Manpower would be saying, "We have a role and function, and we want to make sure this is done." So, I can see that a co-ordinating agency in a public relations exercise as complex as that would serve some useful purpose.

Senator Prowse: Has Information Canada gotten under your feet or in your hair at any time in any way?

Mr. Blakely: No, sir.

Senator Prowse: You have just carried on as though they were not there and, as far as you are concerned, they don't exist is that it?

Senator Phillips: Mr. Chairman, on a point of order, may I, for the sake of the record, point out that I sent a note to the Chairman asking him the number of senators required for a quorum? After that I was intrigued by the fact that the clerk left and brought back a number of Grit senators with him.

This, to me, Mr. Chairman, is indicative of how this committee is being manipulated. When we do not have a quorum, for God's sake let us say that the senators are not interested. Why do you send out the clerk of the committee to bring in Liberal senators in order to make a quorum?

Senator Prowse: Because the Conservative senators have all gone home.

Senator Phillips: You will recall that you were the instigators of the fact that our numbers were reduced in

the committee, and we have been operating here for 4 or 5 minutes illegally because you did not have enough senators.

Mr. Blakely's testimony has been illegal. We have not had enough senators present to make a quorum and we have been operating illegally. Therefore, I suggest that you follow the rule of this Senate which states that when you do not have a quorum—and I recall the last two gentlemen who came in—you must take the names of those present and adjourn. That is the Senate rule.

Senator Prowse: Mr. Chairman, I would move formally that the committee now in assembly accept the information that has been taken by the senators who were here as information taken by a subcommittee, and accepted as part of our record. If there is a seconder to that motion, we can vote on it.

The Deputy Chairman: Is there a seconder for the motion?

Senator Phillips: What is the motion?

The Deputy Chairman: Would you like to repeat the motion, Senator Prowse?

Senator Prowse: I move:

> That the members of the committee now present accept the information that has been given up to this point as information which has been taken by the committee, and that it be incorporated in the record of the proceedings for the information of all persons.

Senator Phillips: Mr. Chairman, on a point of order. I do not think that motion is in order, and I would like to have our legal counsel consulted to see whether it is in order.

The Deputy Chairman: Senator Phillips, just to solve our problem, we have a quorum, could we proceed with the meeting?

Senator Phillips: No, because we have been proceeding illegally for the last four or five minutes; we have not had a quorum.

The Deputy Chairman: Can we have a seconder for that motion by Senator Prowse?

Senator Phillips: You do not need a seconder in committee.

The Deputy Chairman: All right. All those in favour of that motion?

The motion is carried. We will ask about the legality of it afterwards. We now have a quorum and we will proceed.

Senator Rowe: May I ask this as a matter of record? It is not 45 minutes that has elapsed; it is exactly twelve minutes.

The Deputy Chairman: Senator Phillips may have said four or five minutes.

Senator Rowe: I thought the honourable senator said 45 minutes.

Senator Phillips: I said four or five minutes, as the chairman said, and with my Maritime accent I am sure Senator Rowe should have understood.

The Deputy Chairman: I am sorry, Senator Prowse, we did interrupt your question. We will proceed with that, and then perhaps Senator Phillips would like to ask some questions afterwards.

Senator Phillips: Mr. Chairman, you have not ruled on my point of order.

The Deputy Chairman: I said we would check the legality of what we have done with counsel at a later time.

Senator Phillips: Fine. I reserve the right to raise it before the complete Senate.

The Deputy Chairman: We may have to strike the testimony so far given off the record.

Senator Phillips: That would be most unfortunate for Mr. Blakely's column. There are times when I would like to have struck if off the record and times when I agreed with him.

Mr. Blakely: I cannot ask for more than that.

The Deputy Chairman: Senator Prowse.

Senator Prowse: I think I have asked all the questions that I usefully can.

The Deputy Chairman: Senator Phillips, have you any further questions?

Senator Phillips: Yes, I have a number of questions I would like to ask Mr. Blakely. I begin with a bit of background by saying, sir, that I am most familiar with you and your articles through the Montreal *Gazette*. Occasionally throughout the year I buy the *Gazette*, and I note your column there. How many newspapers do you deal with?

Mr. Blakely: I am employed by the *Gazette*, but since we became a Southam paper everything that I write is offered automatically to Southam, so it goes right across the entire Southam organization. I do not know how many newspapers there are in it.

Senator Phillips: Fifty, a hundred?

Senator Prowse: No, no.

Mr. Blakely: It would not be that. There are no weeklies in the Southam organization. There is the *Financial Times*, the *Hamilton Spectator*, *North Bay Nuggett* . . .

Senator Phillips: I wish I were in your position, Mr. Blakely, that I could get my income without knowing the source. You are rather fortunate in that regard and I compliment you on it. How many times in writing your articles, syndicated or otherwise—I do not know how to express it in newspaper terms, but I will say headlines—how many times have you approached Information Canada?

Mr. Blakely: For information, sir?

Senator Phillips: Yes, on the basis of writing your newspaper article?

Mr. Blakely: Twice, maybe three times, since 1970.

Senator Phillips: What was the nature of those articles?

Mr. Blakely: Well, I was intrigued by a reference in their annual report to a ship that they had sailing up and down the rivers in Europe; they never brought the voyage to an end, so I was quite anxious to find out whether the ship ever reached port.

Senator Phillips: I visited that ship, as you call it. To me it was nothing but a coal barge. What information did you get from Information Canada on that?

Mr. Blakely: After several calls—there was an interval of an hour or so—I was informed that the venture had been discontinued, I think it was last October, so I was able to do a fairly comprehensive account of it.

Senator Phillips: Did you ask if the information was bilingual?

Mr. Blakely: Yes, sir, I did.

Senator Phillips: And what reply did you get?

Mr. Blakely: This was some time ago. To the best of my knowledge, I was told that it was. I would have been surprised if it had not been.

Senator Phillips: As an English-speaking Canadian I felt very much a foreigner. I am pleased you have mentioned this, because this is one of my pet peeves. If I had found this coal barge in Prince Edward Island, Lake Manitoba or British Columbia, I would have been completely at a loss. Have you visited that vessel, or did you just get information?

Mr. Blakely: I just obtained information about its activities and operations, but my editor, fortunately, had visited it before he returned to Canada, so he was able to do a follow-up article describing his visit.

Senator Phillips: What was the nature of that article?

Mr. Blakely: His or mine?

Senator Phillips: His?

Mr. Blakely: He just did a rather humorous piece.

Senator Phillips: The *Gazette* being humorous?

Mr. Blakely: Yes, we get very light-hearted these days, senator.

Senator Phillips: In other words, it is safe to say he was not impressed by it?

Mr. Blakely: Oh no, sir, I do not think that would be a fair statement. I think he was impressed with it, but he did not do a serious study of it, its cultural impact on Western Europe. Probably he felt at some disadvantage.

Senator Phillips: Was he intrigued by any particular aspect of Canadian culture conveyed in that motor vessel? Did he mention any particular aspect that we should be proud of?

The Deputy Chairman: Are you relating this to Information Canada?

Senator Phillips: Yes. I realize I am asking Mr. Blakely for his editor's comments, but he brought that up.

Mr. Blakely: I do not think that article was unflattering, but I do not think Information Canada would have liked it.

Senator Phillips: That was exactly my reaction. You, as a senior member of the Press Gallery around here, are used to getting information. What is the main source of your information?

Senator Prowse: Discontented civil servants!

Mr. Blakely: Not really, sir. That is a myth. This is not true of all Press Gallery people, because we have specialists; we have science correspondents who are preoccupied with the field of science. I try to remain in the political field and, that being so, my sources are cabinet ministers and parliamentarians. I do not very often even go to the information agency of the department concerned. If I need something from the Department of Finance I usually go to the officials or to the minister, if he is accessible outside of the house.

Senator Prowse: The minister or his executive assistant?

Mr. Blakely: Yes, or people like that.

Senator Phillips: Perhaps I am misinterpreting the witness, and if I am, I would ask him to correct me. First of all, I have the feeling that he does not approach Information Canada for material for his articles; secondly, he disregards the press officers of the individual departments; and, thirdly, for information he goes to the minister or his executive assistant. Am I correct in that understanding?

Mr. Blakely: Or senior officials. That would not be quite right, senator. It is not that we do not appreciate what good information agencies such as the information agency of the Department of Finance can do. When there is an announcement to make, they produce the material fast and it is well done, and it is done at the time of the announcement, which is useful. However, if I want additional information, I then go to the minister or to a senior civil servant who is able to supply it. I am not suggesting that I find the information agencies of the various departments unuseful. It is case of when I initiate a story, when I am looking for a story, not an announcement, something not based on anything that the department has come out with, I will very often go to the specific official who has dealt with it. If it was a story on external affairs, then I would go to an official of that department.

Senator Phillips: Mr. Chairman, I am intrigued by the fact that a member of the Press Gallery can go to the minister and obtain information which we as members of Parliament cannot get. I am not quarrelling with the witness in this regard. That is not the point of my questioning. However, I should like the record to be clear that he seems to be able to get information which we, as members of Parliament, are unable to obtain.

How many articles have you written since the inception or conception, or whatever you want to call it, of Information Canada for which you used Information Canada as the source of your material?

Mr. Blakely: If you accept the voyage of this ship venture in which they were the only part of government that could answer—they were directly concerned with it, so I went to them on that. I had no choice on that. Who else could tell

me what happened to their vessel? But for information generally I have never gone to Information Canada—not once. When Information Canada was first set up, as a matter of idle curiosity to see whether this organization would function in the way that was intended, I submitted a few test questions to it and found, in spite of the computerization of the mechanism, that it was not terribly satisfactory. I have written hundreds of stories about Information Canada, but I have never gone to Information Canada for information as to the operations of the Government of Canada—not once.

Senator Everett: You submitted these test questions at the inception of Information Canada. Have you submitted such questions since that time?

Mr. Blakely: I now know many people associated with Information Canada, so it is no longer feasible. I have never repeated the test questions.

Senator Everett: In any event, you would have no reason to believe that it would be any more satisfactory now than it was when you did submit those questions?

Mr. Blakely: No. All the evidence suggests the contrary. It is a very confused place. Inevitably, you contact Information Canada whether you want to or not. You contact it in strange ways. I have mentioned the two or three, perhaps four occasions since 1970 that I can recall them having been involved in news distribution. Much more frequently we have been concerned with reporting their disasters. This is my point of view. That is the way I look on some of the things that have happened to Information Canada, so that I am never completely out of touch with it.

Senator Phillips: I should like to direct one more question to the witness, Mr. Chairman, if I may.

There was a rather famous leak which has been attributed to my namesake, Mr. Phillips, in which he outlined the future course of Information Canada, and, failing that, it should cease operations. He has suggested that it be considered in the same way as we at the moment are considering the Senate: either it improves or it ceases to exist.

As a newspaperman, what would you like to have Information Canada do? In fairness, I should say to you before you answer that question, since this is my last question, that I rather object to Information Canada in that it hands out information on all the goodies the government is giving out but never hands out any information as to what is needed. It states that so many homes have been built, but really it does not go into the problems, other than from the government's viewpoint. How do you, as a newspaperman, as I allege the basis of it, feel about the fact that Information Canada hands out facts that are favourable to the government only and nothing else? How do you, as a newspaperman, treat the information you receive from Information Canada?

Mr. Blakely: The problem does not arise, senator, because we do not receive any information, other than on these three or four special occasions which I mentioned. Its terms of reference are impossible; I just do not think they can be achieved. If you look back to the original terms of reference and to the recommendation of the task force, it speaks of co-ordination, not the taking over of the obligations and duties of the information agencies of government, which would have made it a super agency. Its function is to co-ordinate. Accept this co-ordination in the very limited area—and I have mentioned four cases in three years—and that is fine. The moment they reach past that they suddenly begin to loom again as a super agency and they scare the daylights out of every departmental information agency within the federal government. That concerns us and it also becomes a matter of public concern, so it becomes inhibited. It backs off from that role, so they are in a terribly enhibited position; it cannot really discharge its functions. If you look up the Canada Year Book for this year and can see the obligations assigned to Information Canada, the agency would scarcely be recognizable to you, because the activity which the Year Book suggests that it carries out, it just does not carry out, and for the reason that it cannot.

Senator Phillips: Mr. Blakely, as a newspaperman, I rather gather from your testimony that you could continue to publish your column without Information Canada?

Mr. Blakely: Oh, with the greatest of ease.

Senator Phillips: Thank you. I have no further questions.

Senator Everett: I would like to come back to this Canada Year Book, and what is laid out in it. What do you think the government had in mind when it created the concept of Information Canada; what do you think they hoped to achieve beyond what they ever did?

Mr. Blakely: I know what they hoped to achieve, because I was at Mr. Trudeau's first post-election press conference, at which he discussed very frankly what he regarded as the lamentable state of government information. "Here," he said, "we are doing all kinds of programs and carrying out all kinds of activities, and nobody out in the back of beyond knows the first thing about them; how can this be; this is incredible; we must tell them of our goods, of all the services and facilities that are at their disposal by the federal government." So that is what he hoped to achieve, there is no question about it. If you look at the Canada Year Book, which is a pretty well approved version, it is what Information Canada should be, not what it is. That is compatible with it. You cannot really quarrel with the objective, but the methods of achievement of the objective are very, very difficult.

Senator Everett: What would the methodology be, then, in your judgment, to achieve that objective?

Mr. Blakely: I do not think that such methodology really exists. There was the first fear, which was acknowledged even by the task force, that this is superimposed, a supe, agency, a "Mr. Know-It-All" "Tell It All."

Senator Prowse: A ministry of propaganda.

Mr. Blakely: It was to be much more than that, and still is. Some of the aspects are still there. It was going to be the government's radar, for the show they held over here to get over here. It was going to pick up disturbances at these inquiry centres and relay these back; even inform opposition members. That was part of the scheme of things. It was to advise the municipalities and provincial governments. I can think of many provincial governments that would not thank you for a moment for that kind of service.

However, that was the general concept. But you cannot do it unless you really have a big agency. The moment you have a big agency, then all the fears that people have, that this is a super propaganda agency, seem to be confirmed. So poor Information Canada keeps veering from one extreme to the other. It takes on these services of existing bodies—the Queen's Printer and things like that—which were being discharged in any event. Perhaps they are improving it; I hope so. That accounts for 65 per cent of its work, but this other 35 per cent is the critical part of its work. Any time it has tried to discharge its original aims, it gets into trouble.

Senator Everett: Whom does it get into trouble with—the department of information services, or the minister?

Mr. Blakely: It gets into trouble with politicians, with editorial writers; and it does not like trouble, it has had enough of it.

Senator Prowse: No one ever wants someone else reporting on his constituency.

Senator Everett: If the Prime Minister had such great hopes for the agency, why did he not make it a department, or create something that had much more teeth in it? Was he ambivalent, do you think, about it?

Mr. Blakely: I think he was concerned about fears that had been expressed.

Senator Everett: Did that arise out of the debate when he introduced the resolution? Do you think his mind changed in the course of that situation?

Mr. Blakely: Oh, yes, sure. It was certainly coloured by it. The debate began the moment that task force report was in, and it continued right up until the moment, and long after, Information Canada was finally set up. So the government itself has not been terribly satisfied with the way it has had to go about trying to give this meaning.

If it does not do something that the existing agencies are not doing, then it has no raison d'être whatever. What is the purpose in having it? We know its spending keeps going up, its staff keeps going up. Don't forget that, in addition to staff, there are a lot of expenses in contract people who are not paid on the annual basis. This is a handy way of employing people in the federal government these days, where you are asked for your budget and you give people a contract for six eight or twelve months, or whatever it is.

I think they are just trapped in an impossible situation. I do not see any easy way of creating an Information Canada that would do what the Prime Minister hoped it would do. Even the task force was so careful and so cautious about this—and this was the task force's brain job—that it said, "Even we realize the dangers inherent in our own proposal, and so to curb this,"—I am going by memory now, I have not looked at the report in some few months—"to guard against this danger that Information Canada could be transformed into something other than what the government really intended, we think there should be a provision that it report every year, without fail, to a special parliamentary committee, which would act as a sort of watchdog, and if there were any abuses it would curb them."

I have my own doubts about the curative powers of parliamentary committees; but the mere fact that the task force felt obliged to include that recommendation as a curb, is indicative of the state of mind in which the government has had to approach it.

Senator Everett: And, indeed, the task force's caution in approaching the whole thing.

Mr. Blakely: Yes.

Senator Everett: In your experience, have you ever dealt with a centralized information ministry in any government?

Mr. Blakely: Senator, I have dealt with the United States Information Service. I am afraid my experience with it is too specialized to be very helpful. To me, this has always seemed a reasonable kind of agency. It is what it purports to be; there is nothing hidden about it. If you want information about American government activities; or not just about the government either, if you want to know about opposition members in the Houses of Congress, you can get it from them—which is not bad.

Senator Everett: Is this the role Information Canada should be playing, in your judgment? We notice as we get exposed to some of the information about Information Canada that, as you say, they have taken over certain functions, such as the exposition functions, the Queen's Printer bookstore function; but the more you look at it, the really effective function is what they call the inquiry function, the right of Canadians to go into a central place and ask questions about the government, or if they want to know about a certain program or a certain opposition member, this is the area in which to get it. It seems in a sense, that it has—and I hate to use the word—degenerated from the high hopes; it has degenerated into more of an inquiry function, with some related activities that give it a bit of body; but the substance has been added by fiat, not by carrying out the original concept of the functions of the agency.

Mr. Blakely: I think that is so, senator. That is my view. I think there is a function there which is waiting to be performed and it is difficult to reach it. If you look at this Canada Year Book, I do not think anyone could quarrel with this. It says:

> Information Canada has embarked upon the establishment of a network of inquiry centres in the principal centres of Canada where citizens may seek and obtain data on any aspect of Federal Government operations and other matters pertaining to Canadian society as a whole. It has also been assigned the duty of keeping Parliament and Government advised on a continuing basis of the news and comments Canadians are receiving through the news media, of the public's aspirations and complaints and its attitudes toward federal policies and programs as indicated in surveys, polls and other testing methods.

It sounds like a pretty reasonable thing, but it is not a fact. You are members of Parliament and you know how much is relayed to you from the public concerning their hopes and aspirations.

The Deputy Chairman: Perhaps that is the same information that has been contained there ever since Information

Canada was established as such. Probably that message has not changed.

Mr. Blakely: I suspect that that is right, but I think that these are really just words and how the government would still like to think it should be read.

Senator Prowse: They would be wanting Gallup Polls.

Mr. Blakely: Yes, and feedback.

Senator Everett: Does it make sense to have an agency that involves feedback? Is that not one of the shortcomings of the present system?

Senator Yuzyk: A test of public opinion.

Mr. Blakely: Well, we have tests of public opinion, the Gallup Polls and all the other polls; those mechanisms are there.

Senator Yuzyk: Yes, but they select the particular topics. I am aware that in Europe some of the governments use certain systems before they introduce certain legislation to find out what the thinking of the people is in various categories.

Mr. Blakely: Yes.

Senator Yuzyk: But Canada does not do such a thing.

Mr. Blakely: Well, I am not too sure. I wonder whether you gentlemen have seen the latest report to Parliament on the Enquiry Services? This last one was issued in August, 1971 and was the idea of Mr. Phillips, but I cannot speak with authority on that. I have been told by Information Canada that this was so, but this is the report concerning this whole feedback operation. In some ways it contains an awful lot of trivia. Here are the questions that they are fielding. What are they about? Then the feedback:

> In addition to the handling of enquiries, the centres, as a part of the Information-In . . .

I should tell you that there are two areas, Information-In and Information-Out.

> . . . have a responsibility for recording the attitudes and opinions expressed by individual users for the purpose of providing Members of Parliament with another source of feedback. Feedback is in each instance relayed to the responsible departmental authority, as well as to the federal MP representing the citizen's riding. The opinions expressed are in no way directed or controlled. It is not a sampling exercise and consequently Information Canada does not assign statistical significance to the results.

Now, in this last report which Information Canada ever put out on this operation it fedback 39 comments—31 favourable, eight unfavourable—on a film shown as part of the summer exhibits program. There were five commendations on the Inforama Pavilion at Terre des Hommes; two commendations on the inquiries service; one criticism that Information Canada services have not been adequately advertised; and two complaints about the difficulty of getting through to the Toronto bookstore by telephone. There was one complaint about rampant pollution in North York; three letters of protest against pollution; and eight suggestions, embodied in one letter, for a program of federal legislation to combat pollution. There are more feedback items on education, which is a matter of provincial jurisdiction and a very sensitive one. It contains feedback for tourism and miscellaneous. I gather they received a number of epithets which are relayed back with the feedback.

Senator Prowse: It is not very useful, is it?

Mr. Blakely: It is an interesting concept, which could be abused.

Senator Prowse: And it could be useful.

Mr. Blakely: I just suggest to you, gentlemen, that you have not seen very many of these reports, and they are reports to Parliament.

Senator Carter: Is that the last one?

Mr. Blakely: To the best of my knowledge, sir, that is the last one they have issued.

Senator Carter: I remember seeing them two years ago. I used to read them, but I have not seen one for a long time.

Mr. Blakely: That is the only report on the feedback aspect of these inquiries.

Senator Everett: One of the areas with which we have to be concerned is the enormous amount of resources put in by government for the dissemination of information. The only control over the volume of that information really exists with the department and, eventually, with the Treasury Board in the compilation of the estimates. Would it be worth while considering for Information Canada a role of advising the Treasury Board on the extent of these information services, how much they involve duplications and how they could be made more effective and, indeed, more efficient? Would that be a proper role for an agency such as Information Canada?

Mr. Blakely: It would be a very interesting function for it, sir, certainly a more useful one, in my opinion, than many of the functions it now has. There would be the danger, once again, though that if they had that type of coordinating function they might again assume the super-agency status that frightens people.

Senator Everett: That would be a difficulty, yet, on the other hand, I suppose if it were advising Treasury Board, we would be in that position anyway, because Treasury Board can presumably reduce the estimates for information services at any time it wishes, subject to parliamentary approval.

Mr. Blakely: That is correct. It would certainly be a more informed look at the various information agencies than government can as a rule give to them.

Senator Everett: I gather that as a working reporter you only make such use of the information services as you need for the type of information that is coming out regarding a program. Really, if you are carrying out any inquiry you do not go back to the information service?

Mr. Blakely: No sir, that is correct.

Senator Everett: From the public point of view, is the inquiry service as such, that is the service that directs the public to the various departments, or answers questions

for them, a useful service in your judgment, more useful than that which existed before Information Canada?

Mr. Blakely: Senator, that is a question which I have no more competence to answer than any member of the committee. I have no point of reference to use in assessing it. My contact with that aspect of their operations is entirely as an observer. Whether it is proper for a federal agency to carry out operations of that nature, I could give you my personal opinion, but that is all it would be. It would be virtually valueless.

Senator Everett: I agree that you are in this regard perhaps is no better position than any one else, but you have been involved in the information field for a long time. I would be interested in your personal opinion, which I would take as such.

Mr. Blakely: On balance, I think they would be better off without it, chiefly because of our constitutional division. Many other questions, you will find if you read this report, are provincial- or municipal-oriented, and I question the propriety of a federal agency being involved in matters which fall within the provincial or municipal jurisdiction. That would be enough to tilt it, to my way of thinking. I am not overly fond of this type of activity, in any event. This would be enough to suggest to me that it could be discontinued.

Senator Everett: Thank you very much.

Senator Rowe: I should like to revert for a moment to earlier testimony. I think Senator Phillips inferred . . .

Senator Phillips: I never infer; I am explicit.

Senator Rowe: Mr. Blakely has said, with reference to any release from Information Canada, or from any other agency, that he could go to the minister or to a senior deputy. I think Senator Phillips inferred that . . .

Senator Phillips: I do not infer; I am explicit, Senator Rowe. I resent very much the statement that I infer something. Either I say something or I do not.

Senator Rowe: Senator Phillips said that Mr. Blakely was getting information from the minister which was not available to parliamentarians. I do not think that Mr. Blakely meant to imply that he was getting information which was not available to parliamentarians.

Mr. Blakely: I was asked, as I recall, whether I went to the information agencies of departments. I was explaining that when I am after information I may go to Industry, Trade and Commerce information, or I might go to a division head, or to an executive assistant, or indeed to the minister himself.

We have one advantage that parliamentarians do not have; that is Room 130-S has revolutionized things here. If you get a minister of the Crown in front of the television camera and you ask him a question he might very well in the house decline to answer, there is a pretty good possibility that he will find some way of answering the question before the television camera, because otherwise it looks pretty bad. There is this big lens, so he will not run the risk. But in the house he can do so.

Senator Phillips: How do you get the minister . . .

Senator Rowe: Mr. Deputy Chairman, may I continue with my question? I have listened to Senator Phillips. I now have the floor.

Senator Phillips: I apologize.

Senator Rowe: I would like to get this straight. Mr. Blakely did not mean to imply that he had access to information which was not available to parliamentarians.

The Deputy Chairman: Mr. Blakely did not say that.

Senator Prowse: He said that he phoned the minister. Any parliamentarian can do that.

Senator Rowe: Mr. Blakely, I am not sure that you may wish to answer this question. Would you say that the views you have expressed this afternoon represent, by and large, the views of the Press Gallery with respect to Information Canada?

Mr. Blakely: I am sure that my experience with Information Canada is typical. For example, I lunched today with three or four of my confrères. One has been here for only two years. I asked him what contact he had had with Information Canada. He said he had had none. He had had one, but he did not recognize it when it came along.

To make a long story short, as far as my experience is concerned with Information Canada and its information activities, I am sure that my experience is typical of the Gallery. My views on whether they should be in this inquiry activity is another matter, but I have no idea how many members of the Press Gallery might share my view on that.

Senator Rowe: Have members of the Press Gallery ever formally expressed their views with regard to the function of Information Canada?

Mr. Blakely: No, sir. When the task force was first set up, and when it was carrying out its initial explorations, a number of us spoke to Mr. Ostry and others, but that was very early in the operations of the task force. That is as far as the Press Gallery *per se* has ever been involved.

We do not consider it as our function, as an organization, to take stands on issues. We have just barely learned to live together. After all, you must remember that we are all competitors. Where you have a few political parties, we are all of different political parties. Even my Southam confrères are rivals, to an extent. My responsibility, my duty, lies with the *Gazette*. This is true of us all. So we are all competing. That is why we agree on so little.

Senator Rowe: I would like to express my appreciation for the testimony that Mr. Blakely has given us. It has been very valuable testimony.

Senator Carter: Most of my questions have been covered.

Mr. Blakely, you mentioned a few good government information departments. I think you mentioned External Affairs, Finance, and one or two others. Did you include Industry, Trade and Commerce in that?

Mr. Blakely: No sir, I did not; but it is a long list, and I could have. They are a very competent professional group. I have been here since 1946 and I do not think I have ever had very much from the Department of Public Works. Maybe it is a characteristic of the department. It is a property-oriented agency, and perhaps I have not been

terribly interested in what the Public Works Department has been doing.

Senator Carter: You said in your opening statement that during this past week you received a stack of information material about 13 inches high.

Senator Prowse: Thirteen and a half inches.

Senator Carter: As far as you are concerned, most of that was useless.

Mr. Blakely: Absolutely useless.

Senator Prowse: Useless to you.

Mr. Blakely: Yes, to me. Most of it is useless to anyone. We would each make a different selection from it. I might use or tuck away for future reference perhaps 2 per cent.

The Deputy Chairman: This would include *Hansards*?

Mr. Blakely: No; I am not counting periodicals. This is information material.

Senator Prowse: Speeches by ministers?

Mr. Blakely: Yes, there would be speeches by ministers.

The Deputy Chairman: But not *Hansards*?

Mr. Blakely: No.

Senator Phillips: You say "speeches by ministers." What else?

Mr. Blakely: Announcements.

Senator Phillips: Announcements of what type? Let us be explicit. I would like to know.

Mr. Blakely: Appointments.

Senator Phillips: Appointments of defeated Liberals's! Yes?

Mr. Blakely: Matters affecting provinces. Deals that have been consummated with foreign governments. Many of them are quite trivial.

Senator Everett: It would be very much the same sort of information that we get on a daily basis, I would think.

Senator Carter: The same thing applies to practically all members of the Press Gallery. They have this big pile of stuff that comes in, and out of that possibly only 2 or 5 per cent is of any use to them.

Mr. Blakely: I would say 2 rather than 5 per cent. Where you can tell a good information service, even if the commodity that it has to sell is not all that attractive, they will still make a real effort to sell it: they will dress it up attractively; they will try to make it look a little more attractive, impressive, useful, important, significant, than it really is.

Senator Phillips: What should those people be paid per year? I know they are doing naught. Everybody knows it. Should they get $8,000, $10,000, $12,000, or should they be getting the pay that they are getting, $20,000 $25,000, $30,000 per year? Which figure do you agree with?

Mr. Blakely: It would all depend on whether you are talking about the good ones. Those are the ones that I was talking about, the very competent ones. But all that I get from Public Works—I am sure this will be familiar to you—is lists of contracts. Surely to heaven, Public Works must be doing more in its own field than it would tell me or, I suspect, it tells you. Something could be done there. The good agencies make about as much as they can, given the ministerial limitation. They cannot speak as ministers because an information officer is not a cabinet minister.

Senator Phillips: But don't you, as a member of the Press Gallery, suddenly look at the fact—I will take as a particular instance Mr. Dubé, former Minister of Veterans Affairs, a very nice, personable individual. I have nothing against him personally, but suddenly, just before the election campaign, out comes a $5 million press announcement. Now I had just come back from a Veterans Affairs—I don't know what you would call it—trip or whatever you like, and then he comes back and announces that. This rather burns me. How do you, as a newspaperman, react to the fact that all of a sudden the Minister of Veterans Affairs, who is not a veteran—and I don't criticize him in any way for that—but how do you, as a newspaperman, suddenly look at his $5 million wharf? How do you look at it? And how do you reply?

Mr. Blakely: It all depends how well informed I am. I may not have seen the wharf.

Senator Phillips: But you couldn't see . . .

The Deputy Chairman: I am sorry, but you will have to let the witness answer the question, because you keep asking it as a supplementary but it comes out that it is a new question. So, when you ask a question, I wish you would let the witness answer it.

Senator Phillips: As a Conservative, I love to ask a question in this committee.

The Deputy Chairman: You have asked a number of them, senator.

Senator Carter: I have to go in about two minutes and I do not want to leave the committee without a quorum. But what I was leading up to was this: this pile of material that you get in the Press Gallery comes to every senator and every member of Parliament. I don't know how much wider a circulation it has, or whether it goes to provincial departments or not, but our experience is very much the same as yours—it keeps on piling up, and we do not even get time to look at it. If it is only confined to the Press Gallery and members of Parliament, then 90 per cent of it is wasted. I was wondering if you had any ideas as to how that problem could be overcome.

Mr. Blakely: I don't think it is quite that bad, senator. If Agriculture has something to say about this crop or that, whether it is wheat or whatever, it does not just distribute it on Parliament Hill; it goes to agricultural organizations, even down to quite a small level. I do not think that county associations would get it, but certainly provincial associations would, and certainly the national associations would get it. It just does not stop with us.

Senator Phillips: On a point of order, Mr. Chairman, I had asked a specific question which was not answered, and I respect the right of Senator Carter to come in and ask a questions but I, having asked the previous question, am entitled to an answer before Senator Carter.

The Deputy Chairman: I think you are not, Senator Phillips. I had thought it was a supplementary question and then I ruled that it was not a supplementary question but a new question. Senator Carter had the floor, but I gave it to you because I thought you wanted to ask a supplementary question and it was not a supplementary question. When these questions are answered here, I will give you the floor.

Senator Phillips: What gave you the thought that it was a supplementary?

The Deputy Chairman: Because he had the floor.

Senator Phillips: Who had the floor?

The Deputy Chairman: Senator Carter.

Senator Phillips: On what basis?

The Deputy Chairman: Because I had recognized the right of Senator Carter to question; that is why.

Senator Phillips: You are being impartial, as usual!

Senator Carter: I would think that ministers' speeches and press releases and all this stuff that comes out—because every day there are four or five ministers making speeches somewhere across the country or, if they are not making them themselves, then they have somebody making them for them, whether a deputy or somebody else—and eventually all of this comes to us. In addition to that, they are making announcements and you get copies of speeches they make in the House of Commons and copies of announcements they make to the press and so on. I do not know how far it would go, but I would not think that it would go much farther than the house and the Press Gallery.

Senator Phillips: Don't blame me, I voted Conservative!

Mr. Blakely: The agricultural material tends to go to agricultural associations, provincial and national. Financial announcements certainly go to the chartered banks, probably the Chambers of Commerce and things like this.

The Deputy Chairman: And things relating to industry would go to industrial people?

Mr. Blakely: Yes.

Senator Phillips: Industry and what else, Mr. Chairman?

The Deputy Chairman: Senator Rowe, did you have some questions?

Senator Rowe: What time are we going to quit?

The Deputy Chairman: Well, we are going to quit very shortly because the witness would like to be in the house for the vote at 6 o'clock. I think perhaps we could spend another five minutes.

Senator Phillips: Mr. Chairman, why should the witness be in the house?

Senator Everett: Mr. Chairman, I move that we adjourn and thank the witness very much for appearing. I make that motion.

Senator Carter: I would like to second that.

The Deputy Chairman: All those in favour?

The motion is carried. Thank you very much, Mr. Blakely.

The committee adjourned.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS

OF THE

STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

The Honourable HERBERT O. SPARROW, *Deputy Chairman*

Issue No. 5

THURSDAY, JUNE 7, 1973

Second Proceedings on the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974

APPENDICES "A" and "B"

(Witnesses:—See Minutes of Proceedings)

25831—1

STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman;*

The Honourable Herbert O. Sparrow, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.
Carter, C. W.
Choquette, Lionel
Côté, Jean-Pierre
Croll, David A.
Desruisseaux, P.
Everett, Douglas D.
*Flynn, Jacques
(*Ex officio*)
Giguère, Louis de G.
Grosart, Allister
Laird, Keith
Langlois, L.
Manning, Ernest C.
*Martin, Paul
(*Ex officio*)
Paterson, N. M.
Phillips, O. H.
Prowse, J. Harper
Rowe, F. W.
Sparrow, Herbert O.
Welch, Frank C.

(Quorum 5)

**Ex officio Member*

Orders of Reference

Extract from the Minutes of Proceedings of the Senate of Wednesday, February 21st, 1973:

With leave of the Senate,

The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending the 31st March, 1974, in advance of bills based upon the said Estimates reaching the Senate.

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier
Clerk of the Senate

Extract from the Minutes of Proceedings of the Senate of Thursday, March 15th, 1973:

The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination and consideration of such legislation and other matters as may be referred to it.

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier
Clerk of the Senate

Minutes of Proceedings

Thursday, June 7, 1973

Pursuant to adjournment and notice the Standing Senate Committee on National Finance met this day at 9.45 a.m. and proceeded to the further consideration of the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974.

Present: The Honourable Senators Sparrow (*Deputy Chairman*), Carter, Desruisseaux, Everett, Giguère, Grosart, Martin, Prowse, Rowe and Yuzyk. (10)

Present, but not of the Committee: The Honourable Senators Hays and Lafond. (2)

In attendance: Mr. G. Cocks, Director of Research.

Witnesses:

From the Department of Labour:

The Honourable John Munro, Minister of Labour;

Mr. Guy R. D'Avignon, Director General of Information Canada;

Mr. Arthur G. Trickey, Assistant Director General of Information Canada;

Mr. Claude Beauchamp, Director of Publishing of Information Canada;

Mr. J. C. Douglas, Director of Audio-Visual/Expositions of Information Canada;

Mr. Tom Ford, Director of Regional Operations of Information Canada;

Mr. David Monk, Director of Communications of Information Canada.

The list of best sellers prepared by Information Canada was tabled.

On motion of the Honourable Senator Carter, it was *agreed* to print as Appendix "A" to these proceedings the said list.

It was also *agreed* to print as Appendix "B" the "Lease conditions for Information Canada Centres".

At 10.50 p.m. the Committee proceeded to hear the following *witness:*

From the Department of Agriculture: Dr. G. M. Carman, Director General of the Information Division.

At 12.50 p.m. the Committee adjourned to Wednesday, June 13, 1973, at 9.30 a.m.

ATTEST

Gérard Lemire,
Clerk of the Committee.

The Standing Senate Committee on National Finance

Evidence

Ottawa, Thursday, June 7, 1973

The Standing Senate Committee on National Finance, to which was referred the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974, met this day at 9.30 a.m.

Senator Douglas D. Everett (*Chairman*) in the Chair.

The Chairman: Honourable senators, I have one piece of business before I hand over to the Deputy Chairman. That business is the appointment of a steering committee, which I suggest be composed of Senators Everett, Grosart, Laird, Manning and Sparrow. Is it agreed?

Hon. Senators: Agreed.

The Chairman: I will now ask the Deputy Chairman, Senator Sparrow, to take the chair.

Senator Herbert O. Sparrow (*Deputy Chairman*) in the Chair.

The Deputy Chairman: Mr. Minister, I want to thank you very much for appearing this morning with your officials. We had a very good hearing with Information Canada officials yesterday, and we are very pleased to have them return.

If you have a statement you would like to make, Mr. Minister, we should be glad to hear it, and then we can begin the questioning.

Hon. John C. Munro (Minister of Labour): Mr. Chairman and honourable senators, I would only say at this stage that I appreciate your looking into the question of Information Canada, and I am available to deal with any questions. You are aware of some of the difficulties. I understand that the hearing yesterday went into them in some detail and that some of the suggestions which emanated from that hearing were particularly useful. I would just like to make myself available to honourable senators for questions, or to be the receptacle for suggestions as to the role of Information Canada in the future.

The Deputy Chairman: Thank you, Mr. Minister.

Senator Everett: Mr. Minister, one of the areas it was originally envisaged that Information Canada would undertake would be a sort of feedback to government of the feelings and the concerns of the Canadian public. As Mr. Blakely put it yesterday. it would act as a "radar" for the federal government and indeed, I think, for provincial and municipal governments in certain instances, and for the members of Parliament. Would you say that this has been successful; and, if not, whether in your judgment there are any prospects for its success?

Hon. Mr. Munro: I can answer the latter part first. Yes, I do think there are good prospects for its success. To give an accurate analysis as to whether it has been successful to date is probably premature, senator, inasmuch as the inquiry centres are fairly recent innovations and they have not been operative for that long. As to the ones in the capital, where we have established them, although I am not ahead enough to visit them personally and to talk to some of our people who run them, I am told they perform a very useful function indeed and are operating quite well. The number of inquiries, even making allowances for inaccuracies, is quite impressive. So it is one of the primary functions of Information Canada, and I think we should continue down this path, getting inquiry centres set up in the rest of the nation's capitals, which are very high on the priority list, and then move on to the major cities and smaller cities as time goes on, to conduct the same function.

When you ask what the prospects are for success, I think they are very good. I am overwhelmed by the frustration of Canadians when it comes to various governmental programs. I am overwhelmed by the frustration Canadians experience as to the jurisdictional delineations between municipal, provincial and federal governments. It is quite astounding, really. There is a mix; some jurisdictions are involved in some of the same programs. Canadians have tremendous difficulty, at the grass roots level, in knowing how these programs are designed to benefit them. Some of them are very beneficial programs. I think—I suppose because of my pre-occupation with Health and Welfare in the past—that there are indeed programs that can be a definite help to the people which they are not aware of and do not take advantage of, because of the jurisdictional delineation giving them too much difficulty in their minds, and they tend to give up in frustration because they do not know precisely where to go or what level of government to go to. So I really see the necessity for an inquiry centre, identified with the federal government, to assist them in sorting this out and also to establish a federal presence in many of those cities, a presence that is very necessary for national unity—which may have some dangers of being eroded.

Senator Everett: I am inclined to agree with you. Probably the most effective thing that Information Canada has done is in the inquiry centre field. Indeed, it would appear in those cities where the inquiry centres exist, that more and more people are looking to Information Canada as a means of getting information on what the government is doing and what the government presence means. This is increasing month by month.

I was referring more to the feedback. What you are talking about is a citizen going in and asking where he can get this or that program, or whom he should contact in respect to certain things. That is a function which, as far as I can see, Information Canada is doing extremely well; and, indeed, it should be expanded. Whether it should be expanded in the way it is presently operated or not, is another matter. I do not have any hesitation in saying it should be expanded. But one of the ideas was that all these inquiries coming in would indicate some sort of trend which could be fed back to the government. I am extremely leery of that, because I think that would take a special type of inquiry officer to discern what people were thinking.

Admittedly, you could put the replies through some sort of computer and say you have so many replies on this or on that, but that does not really fulfil any function so far as "radar" is concerned. You probably do that, in any event. So the "radar" function must have been something greater than that. I wondered if in your mind it still is a valid function. It seems to me it really is not, that the inquiry centre, if it is going to be useful, should be a receptive centre.

Hon. Mr. Munro: I conceive of it as an assistance to people at the grass roots level, not as a feedback alone. I do think the feedback operation is implicit in any type of outreach program of the kind we are discussing, where it is designed to assist people to satisfy their desires for information on various governmental programs. I say that only in a general sense. I do not think it should be a highly technical thing at all. The very nature of the inquiries themselves, in general terms, highlight the deficiencies in some governmental programs and in the approach of the federal government to people in some specific areas. That is going to be an automatic result of accessibility. Patterns will develop as to the type of inquiries that are made by people, which would be some guide.

Senator Everett: That would have a statistical pattern?

Hon. Mr. Munro: Right, to indicate some deficiencies. That type of feedback will probably be quite useful.

Senator Everett: I will ask one more question. I have a number, but I will pass on after that to others, and perhaps I will get a chance to come back again.

Interviewing the information section of the Department of Industry, Trade and Commerce, it would seem to me that that section is pretty competent and doing a pretty good job, in an area in which the information officers are well versed. The director said he had been in government for nine years and had been there for five years, and his sole function was really trying to keep up with all the programs and initiatives that were being taken by the department and communicating them to the people who had to have that knowledge.

Having said that, it seems to me that one of the alternatives for Information Canada is to become a super information agency that would control the output of information from government. In your judgment, does that make any sense at all? And if it does not—excluding the inquiry function, excluding the bookstore function, excluding the exposition function—what role should Information Canada play in the dissemination of government information?

Hon. Mr. Munro: In terms of dissemination of information, any super role that Information Canada would have, I see primarily for the first few years it being done at the regional level, not in the nation's capital. Very few departments have any type of sophisticated operation in the provinces, in the various cities, to get out information on the availability of government programs, many of which are designed to be of help to special interest groups. In Industry, Trade and Commerce it is, I think, primarily to bigger and smaller businessmen and so on. But perhaps I should not use Industry, Trade and Commerce as an example. In many areas there is a tremendous number of people in the business community, particularly in smaller businesses, who are not aware of the mix and the number of programs available that could be of assistance to them. Since the other departments have not moved in, in a regional way, to satisfy this need, I think Information Canada should be left to do it, and to a degree they are doing it now.

Senator Everett: Can you give me any examples as to what Information Canada is doing in that field, and, if possible, specifically in the field of Industry, Trade and Commerce?

Hon. Mr. Munro: No. I should like to leave the answer to that to my officials. However, I should like to say this: My personal experience, since I am an M.P. from Hamilton, is that I would very much like to have an Information Canada inquiry centre in the city of Hamilton. My reason for saying that—and I suppose other members of Parliament experience the same thing—is that if we have a constituency office operation, a tremendous number of calls come in for information. Since these offices are frequently run on a volunteer basis, there can be a tremendous delay in getting that information. With the delay in trying to find out where they can get the information, where they can go to, and often involving correspondence with Ottawa, it can often be very, very difficult. So that is why I would like to have one, but I realize that Hamilton is not the nation's capital and is well down the list in terms of being served. I am sure this experience is duplicated in many other constituencies and that many other members of Parliament feel as I do. But I think that the inquiry centre in the nation's capital, as it is set up now, is carrying out that function to a degree.

Let me take Vancouver as another example. I have not seen the breakdown of inquiries, but I am sure that a great number of them come from businessmen who want information as to the availability of government programs. What percentage that is of the overall total of requests, I could not say.

Senator Everett: Well, from the point of view of the inquiry function, I think we agree. But I was looking more at the initiative of Information Canada in pushing out information, in a regional sense; and it just strikes me . . and I won't prolong my questioning because I know there are others who want to ask questions as well . . . that it is pretty difficult for Information Canada to be effective in an area such as Industry, Trade and Commerce, where departmental people are so expert and so in touch with the types of program that they are trying to get over to the businessman.

Hon. Mr. Munro: Well, putting it in stages, I think that until we can handle the inquiry aspect of it in a better

way, I cannot see us moving off into a more aggressive role in pushing out information. But rather than having a proliferation of regional information offices with other departments, I think that role should be taken over by Information Canada in the future. I say that from the point of view that many of the programs designed . . . even in Industry, Trade and Commerce . . . for the assistance of people are not all that complex, in my opinion, and once they get the initital information, even if there are difficulties in dove-tailing programs to the more specific and technical needs of the client, so to speak, then Information Canada can carry on a liaison role with the department to get technical personnel in on the job. I would like to see Information Canada, as a second stage, getting more into that. But, as a personal preference, I certainly would like to see Information Canada doing that at a regional level rather than have a proliferation of regional information centres. I would think that these would tend to confuse the public even more.

Senator Everett: But you would start with inquiry centres and get them going, and then move on from there?

Hon. Mr. Munro: Yes.

Mr. G. R. D'Avignon, Director General, Information Canada: In reply to your question, senator, we are preparing a guide book of all programs that can be helpful to anyone. They do not necessarily come from Industry, but they also concern other departments and programs that can help industry. So we are co-ordinating this. This is the one positive role we are playing in this.

The Deputy Chairman: Is that just for business and industry information, as such?

Mr. D'Avignon: Yes. I also indicated yesterday that we have a manual that will be available to the citizen which will set out the programs available from all departments.

The Deputy Chairman: When will it be available?

Mr. David R. Monk, Director, Communications, Information Canada: Our target is October of this year for the citizens' service.

The Deputy Chairman: That would outline all government programs?

Mr. Monk: It would be directed to the individual citizen, as against group grants or as against business in the large sense. For instance, in the social assistance area for the aged or for the young, or for the health services, it would be for the individual person.

The Deputy Chairman: But not for agriculture, as an example, or industry?

Mr. Monk: No. These are examples of the approach that Information Canada feels is a valid one in today's environment—that there must be a horizontal packaging of interests, in that all the departments pursue their own communities with specific information in a vertical sense, but now with the interrelationships between the portfolios becoming so complex, we believe there is a role for the communication directorate in Information Canada. So this may be one of our prime functions—the gathering horizontally of information, because people are interested in programs, in the broad sense, as they affect them, rather than individual ministries. The citizen book would be the first one, and the assistance to industry will be the second one, and we hope by defining our audiences, and with the assistance of the different departments, to bring these things together on target audiences in this way. No one portfolio feels it has the resources or, indeed, the mandate to reach out to all the people. For example, in the industry book there are 18 departments involved, and in the citizen book possibly the same number or more, and so we feel we are helping them and also helping the citizen.

Senator Desruisseaux: May I ask the minister whether it is intended or whether it is now the practice of Information Canada to relay information outside of Canada? Does it take care of the needs we have to contact trade and commerce in other countries?

Hon. Mr. Munro: It does very little of this, and it is not very high in its priority. I suppose when we do get inquiries from outside, we send them the information we have, but it is not a preoccupation. This is to be largely a domestic agency for the informational aspect of the Canadian people.

Mr. D'Avignon: The Department of External Affairs has a responsibility to disseminate information about Canada abroad, but we are requested by them to do a lot of work. We are a service agency to them and at the moment we have a list of 17 items or things that they want us to do, from the preparation of small cards with Canadian topics for use by Canadian diplomats when making speeches abroad, and, of course, our exhibition and exposition group are supplying Trade and Commerce and External Affairs with a lot of services abroad.

Senator Grosart: Mr. Minister, one of the original problems that prompted some people to be opposed to the formation of Information Canada was the fact that it was, in effect, a department of government reporting to a minister, and therefore in danger of being influenced, if you like, to becoming a propagnada agency—which I hasten to say Information Canada has not become.

The suggestion has been made that it would operate more efficiently if it had a greater degree of political independence, in theory as well as in practice. Would you see it functioning better if it had the same degree of political independence as, to give an example, the CBC? It is not a policy question; it is a question of operational efficiency.

Hon. Mr. Munro: I am schizophrenic about that particular type of question. I see the merits in terms of removing suspicion and having a greater degree of acceptability for the role of Information Canada if it were a more autonomous agency of the government, along the lines of the CBC, yes. If initially it was set up along those lines, it probably would not have got off the ground with such an aroma of disability already attached to it.

On the other side of the picture, I tend to think that sometimes the autonomous agencies are not nearly as responsive to the needs at the grass roots level as an agency that is more part of the governmental operations. That bothers me when you are talking in terms of, say, an agency that is dealing at the grass roots with primarily what I consider is a very useful thing, which is these inquiry centres. That is the other side of the situation.

I think many of the officials of Information Canada would be inclined to agree that if we are not successful over a period of time—and it is still a relatively new agency—in accepting that it can be responsible to a minister as part of the government, and still establish a high degree of credibility in terms of being objective, then I think some new structure will be necessary. To try to keep it the way it is is one of the reasons why there has been the preoccupation there has been by Information Canada to be sure that it is not a propaganda outlet for government. I am hopeful now that it has pretty well established that as a tradition. Perhaps I am being too optimistic. I think if we do establish that, then it can carry on in its present structure.

Senator Grosart: It seems to me it will be very difficult—not that I am suggesting there be any ministerial influence—because of the fact that the personnel of Information Canada are responsible to a minister. I have never yet seen it fail that the head of an information department did not become the press agent of the minister, understandably; I would do the same thing if I had the job. It therefore seems very unlikely that you have an objective output under a system where there is that responsibility and, if it is a good department, loyalty to the minister. Do you see any problem there?

Hon. Mr. Munro: There are certain built-in safeguards. Other than the director himself—who, I think, is analagous to a deputy minister and it is therefore a prime ministerial appointment—the rest of the senior personnel and all the other personnel go through the Public Service Commission, which was set up really to insulate the Public Service from political pressure. I think, to a degree, that has been a safeguard traditionally in Canada, and I expect it will carry on in that same fashion with Information Canada, the hiring being the same. There is that safeguard.

For instance, the CBC is in the communication business, but its role is to be one with entire freedom to criticize government, which it does, to criticize the operations of government. I do not see Information Canada being in that role, that of a critic of government, any more than it should be a proponent of government. I see it really in a very specified role, of getting out in as objective a fashion as possible explanations of what governmental programs are all about, and servicing people to take advantage of them, without being either critics or proponents.

That raises the danger, if that is a valid viewpoint to take of the role of Information Canada: If it were autonomous would it then be expected to be a critic? In that case it is just a duplication of an agency in the communications business over and above what we already have in terms of a free press, and over and above what we have in a crown corporation, the CBC.

Senator Grosart: I would not see it as a critic. I was questioning the likelihood of the feed out of information really being objective. For example, let us say there was a situation in which the public was interested in getting more information than it was the intention of the government to allow to be given out at a particular time. Suppose some citizen said, "I want more information. I want you fellows to go and dig me out some more information." That is objective; he wants facts, not criticism. I see a real hang-up here, but I will not pursue it, because I do not think it matters what kind of agency is set up; there will be this problem. It seems to me, Mr. Minister, that you must have in your department your own information section as well as Information Canada.

Hon. Mr. Munro: Right.

Senator Grosart: Could you describe to us the relationship between the two? This would be a kind of micro of the macro problem, the relationship between Information Canada and the information agencies in the departments.

Hon. Mr. Munro: I really have not seen any major problem to date, just because Information Canada itself is new and its priorities have to be served, even the ones that it has now it is coming to grips with, being a new agency. I am talking about some of the services they have already taken over, which were very necessary governmental operations, which you went into yesterday, such as distribution, publishing functions and so on. That is about two-thirds of its overall budget. That function does not conflict with any other departments. There are the book stores, for instance; they are now moving into the inquiry centres at the regional level. That does not conflict with, say, my own department.

The Department of Labour in Ottawa does not have much of a regional operation in terms of information, in terms of its functions, at all; it is largely centralized in Ottawa. I see a need for this at the regional level. I think we become far too preoccupied with what is going on in Ottawa and do not pay enough attention to what is going on and people's desire for information at the regional level. I would not like to see Labour get into it; I would not want all the other departments to get into it.

As far as I am concerned as Minister of Labour, and not just because Information Canada happens to be for the time being responsible to me, I would resist our informational services decentralizing and having outlets right across the country. I would look for Information Canada to do that. I do not see any conflict in that particular area.

I have not personally run into this yet, but if there were some kind of highly technical job to be done in the communications business, where the information dissemination required technical personnel on a short-term basis to get the job done, I would not want the Department of Labour—and I do not think they have done it—to go out and hire such a person through the Public Service on a permanent basis, who would be required only for a specific project at peak periods. I would be much more in favour of one of two options: the Department looking to Information Canada for that type of expertise, when I would hope Information Canada had that type of personnel to respond to that; if they did not, then I would like them to go outside to an advertising agency, or some other private group that had the capacity to do the job. I do not see any conflict there. Indeed, I see the need for such an agency that can service departments in that way. By and large, to date I have not had any experience with any fundamental conflict myself.

Senator Grosart: It seems to me that Information Canada, perhaps because of what I would call the political situation of its early days, has developed into about the strangest information animal in the world. It has taken over certain functions. It did not matter whether it

took them over or not. I am referring to the exposition people, the film people. It did not matter at all whether they took them over or whether they stayed where they were. They were doing a good job, and it is evident that the job has neither improved nor deteriorated.

In this case I do not think it needed to improve, with the possible exception of the cataloguing of the film libraries' stills. That is about the only area I can see where there might have been any necessary change and where there was any improvement in its coming under Information Canada.

Senator Martin, when he was here, told me I was quoted in the paper as being a protagonist of Information Canada. That is probably the result of some remarks I made yesterday. Well, I am: I am all for Information Canada—but not with its wings clipped. So I am going to ask you if you would disagree with the suggestion that its activities should be greatly expanded, that it should really become Information Canada. The obvious area would be, I think, to meet the expectations of most people when Information Canada was set up—that is, that it would co-ordinate government information output.

As you and I are well aware, forever there has been this criticism of overlapping, overloading the market with paper, booklets and so on. It seems to me that under its terms of reference Information Canada's wings are completely clipped, or to change the metaphor, its hands are tied because of this "on request" phrase. It can co-ordinate "on request", which means that it will never co-ordinate except in a very superficial way. It will have an interdepartmental committee.

I do not think there is one in the service that has ever really co-ordinated on the horizontal basis that was just suggested.

Would you, from the experience you have had as the minister, find any serious objection to having that "on request" phrase removed and giving Information Canada the authority to insist on the co-ordination of government information services?

Hon. Mr. Munro: Well, in the first place, as a side point, if it did assume that role, I think you would agree that it would never then be an autonomous agency along the lines of the CBC. In effect, it would be controlling, to a degree, and coordinating the information roles of all the departments which are integral functions of the government.

Senator Grosart: Yes.

Hon. Mr. Munro: Having said that, should it centrally coordinate and control? My own inclination is to say no. The reason I say that is that I would like to see Information Canada develop an intermediate position whereby it would monitor and assess the functions of, and the job being done by, the information divisions of other departments and would put before the government on a yearly basis its analysis and recommendations for improvement. I can see that.

The reason I say that I would not be for coordination and control is that I am one who believes very much in the fact that the integrity of departments be maintained as checks and balances in the federal setup. The fact that there are too many agencies or bodies which carry on a centralizing function in imposing controls over the departments can in itself be quite a danger.

We have a number of agencies now that have considerable control over departments. To a degree, for example, there is the Treasury Board, the Privy Council, and the PMO. They say they are not controlling, but the fact of the matter is that they have some sway over departments in their day-to-day operations. Here would be another one.

What happens in government when you have too much of a control over departmental apparatus depends on your outlook. I think it can undermine the morale and the proper functioning of the departments. I think it can also undermine the checks and balances that one department has over another in the formation of policy, which I think is necessary.

Senator Grosart: Well, another way to look at that might be to say that so long as it is found essential that departmental spending be controlled centrally and departmental hiring of personnel be controlled, it might also make sense that the departmental output of information be controlled. I merely give that as one viewpoint.

Hon. Mr. Munro: Right. But then you would not have checks and balances and you would have to watch really carefully what the central information agency did, because information is a different animal. You are dealing with information and you are dealing with people's attitudes to a degree, and that seems to me a much more serious thing than the pragmatic controls over finances.

Senator Grossart: I will not argue the point, except to say that really the monetary control is a control over policy, and information is policy; they are not too far apart. This happens all the time when you get this argument between decentralization and centralization—

Hon. Mr. Munro: Could I add just one thing, senator, before I forget? I do agree with you that at the regional level it should be, if not a controlling function, a co-ordinating function. I see it doing that at the regional level.

Senator Grosart: I was coming almost to that. It becomes semantic, because what do you mean by "centralization" and what do you mean by "decentralization". If you put the co-ordinating concept into it, most people will agree with centralization; but if you put control into it, not many people will. That is what I have found in science policy.

Hon. Mr. Munro: it is the control aspect that I am hung up on.

Senator Grosart: I think this is probably the most important aspect of the whole question of the future of Information Canada. If its role is to be expanded, its hands untied a bit, then my question is, "How much?" If it is in the co-ordinating field, as you put it, the assessment field, I am inclined to think that is as far as it should go. I want to make it clear that I am not suggesting the kind of centralization where every single information man and every single bit of policy in every department would be dictated from the centre. I would like to ask again: If it was a mandatory co-ordinating role, would you find this acceptable, from your experience? I say "mandatory co-ordinating role"—that is, where it had the right to go in, not necessarily to make policy but to co-ordinate.

Hon. Mr. Munro: A co-ordinating role. Personally, I would like to think this out a little further. The co-ordinating role, I could see; but where that overlaps into control is what bothers me. It would have to be very closely scrutinized and the criteria for its co-ordinating function would have to be clearly spelled out.

Senator Grosart: If I were to ask you if you would be in favour of a co-ordinating role which stops short of control, what would you say?

Hon. Mr. Munro: Yes, which stops short of control. The problem is, can that be done?

Senator Grosart: I agree.

Senator Everett: Just pursuing this monitoring function, one of the things we discussed was the possibility of Information Canada in this co-ordinating role making a report to Treasury Board on the extent of information services throughout the government and using the control of Treasury Board, through its budgeting, over the size at least of the information services. Does that have any validity? Is that the type of monitoring you are talking about?

Hon. Mr. Munro: Yes, if Information Canada had the assessment and monitoring capacity and prepared a report on what was being done on other dissemination divisions of other departments, that document would be available to Treasury Board automatically, just as it would be to the public generally. I think then that Treasury Board might very well use that as the basis for its analysis of the expenditure requirements and the desires of the department in the future.

Senator Everett: So you are talking, then, about an annual report from Information Canada on the whole government information system?

Hon. Mr. Munro: Yes.

Senator Everett: Two questions arise out of that. What sort of powers do you think Information Canada would have to have in order to get that information out of the various departments? I can imagine it would be simple in the case of Labour, because I imagine there would be great co-operation there, but in other departments they might not get that voluntarily. You would have to have some sort of power, comparable to that of the Auditor General, to go in there and ask questions?

Hon. Mr. Munro: There is an awful lot about the information services for the departments, even if there is a built in inhibition about revealing too many of the details of their operations, which is just almost impossible to keep secret, in any event. You certainly can see their output in terms of their programs. I am talking in terms of the media. You certainly can usually have a breakdown of the personnel and classification and duties of the personnel, and an awful lot of information that would be necessary for such an assessment is quite readily available.

Senator Everett: But there is information that is not readily available. You say that the power should go beyond the information that is readily available?

Hon. Mr. Munro: My own inclination is that if Information Canada had the capacity to carry on this role, it could do so even if they experienced certain inhibitions in certain departments in terms of revealing things. I just do not think that other departments would be successful in doing that.

Senator Everett: My second question is more for Mr. D'Avignon. Does Information Canada have any expertise that would permit it to play this monitoring role and, indeed, to make an annual report to Parliament—

Hon. Mr. Munro: To government?

Senator Everett: —on this state of information services throughout government?

Mr. D'Avignon: At the moment, I do not think we have the staff to do it. It is certainly possible. We have the people at the higher level who could direct these things; but, certainly, with the resources we have now, I doubt very much if we could do this.

Senator Everett: But at the managerial level you feel there is the expertise that could direct this sort of operation?

Mr. D'Avignon: Yes.

Senator Everett: Thank you, Mr. Chairman.

The Deputy Chairman: Senator Carter, you asked a question yesterday, dealing with reports not available on the Poverty Committee. Perhaps Mr. D'Avignon could answer that and you could bring the question up in your questioning.

Senator Carter: First, I have a supplementary question to those of Senator Everett. Perhaps Mr. D'Avignon has the information to answer the questions I asked yesterday.

Mr. D'Avignon: I have a lot of answers here to yesterday's questions, but I am not too sure whether I have the answer to yours, senator. I think I do.

Senator Carter: I was aksing about the best sellers and the reports and what you are doing about them. I asked several questions.

Mr. D'Avignon: I do have a list of best sellers, and I am very pleased to say that two of the Senate reports are on this list. The one on Poverty and the one on Mass Media are amongst our best sellers. Would it be best to table these?

Senator Rowe: Do you have more than one copy there?

Mr. D'Avignon: Yes, I have copies. They will be distributed now. I also have the sales of government publications from 1962-63 to the present year, and we will table that also.

Senator Carter: Do you pay royalties on some of these, besides receiving the books for sale?

Mr. C. Beauchamp, Chief, Documentation Division, Information Canada: No, we never pay royalties.

Senator Carter: Is this list showing the books in order of their sales? I mean, *Canadian Agriculture in the Seventies*, is that the top one?

Hon. Mr. Munro: No, it is not in order of sales.

Senator Rowe: Is it in chronological order? Is there any significance to the order?

Mr. Beauchamp: No, there is no significance, it is just a random sampling of our best sellers.

Senator Rowe: What do you call "best sellers"? What definition have you used?

Mr. Beauchamp: In my own mind, let us say a royal commission report selling at 10,000 copies or more is a best seller. The book with the mass popular appeal has to sell at least 25,000 copies to qualify as a best seller.

Senator Rowe: As a supplementary to that, does your agency distribute any complimentary copies in addition to those that are sold?

Mr. Beauchamp: No, my branch only sells copies.

Senator Rowe: But conceivably there could have been some copies distributed?

Mr. Beauchamp: If I may qualify my statement, of course we are responsible for the distribution to, for instance, persons qualified to receive free government publications according to Treasury Board minutes, but in our calculation of a best seller we do not include free distribution. Those are only sold copies.

Senator Rowe: Would you have any idea as to what number would be involved in the complimentary copies? For example, it seems to me that you sold 10,000 copies of the one on *Canadian Agriculture in the Seventies.* Would the number of complimentary copies have been 500 or 5,000?

Mr. Beauchamp: It would not reach 5,000. Generally, the average number of copies that is requested from the daily check list is 300. That is an average. For certain publications it may go as high as 700, but 300 is a fairly good average.

Senator Rowe: Thank you.

Mr. Beauchamp: Mr. Trickey has just pointed out that the author departments may have a free distribution of their own, but we are not aware of how many copies are distributed by them.

Senator Carter: I am a little confused. Every book on this list is over 10,000?

Mr. Beauchamp: Yes, it is, except for the *Statutes of Canada.* The *Statutes of Canada,* I believe, sells for $150. We sold 6,000 sets, and we are reprinting them at the moment.

Senator Carter: That is good. Are there any here on this list over 25,000?

Mr. Beauchamp: Yes, quite a few. As a matter of fact, I would say the first seven on the list each sold over 25,000 copies. The *Atlas of Canada with Gazeteer* sold about 17,000 copies. The *Canadian Fish Cook Book, The Unbelievable Land, People of Light and Dark, Northern Cook Book, Report on Metric Conversion in Canada, How Canadians Govern Themselves,* all sold over 25,000 each.

Senator Carter: What about the Senate report?

Mr. Beauchamp: I believe it sold roughly 20,000.

Just to give you a further example, the report of the *Royal Commission on Foreign Investment* sold 12,000 copies. The Senate report on *Mass Media* sold roughly 14,000 copies, and for that one you have to bear in mind that it was issued in three volumes. The Senate report on *Poverty,* I believe, sold approximately 30,000 copies.

Senator Carter: 30,000?

Mr. Beauchamp: Yes.

Senator Carter: Have you any figures on the Senate report on *Science Policy*?

Mr. Beauchamp: Unfortunately, no.

Senator Carter: Thank you very much.

Now I would like to ask the minister a few questions. Mr. Minister, you were in the cabinet at the time the policy regarding Information Canada was being developed, were you not?

Hon. Mr. Munro: Yes.

Senator Carter: The organization we have today which we call Information Canada seems to be somewhat different from the organization described by Prime Minister Trudeau when he announced or described it in his policy statement in February 1970. At that time he envisaged a compact unit of about 100 employees. Now we have one with a staff of more than double that. Some of the functions do not seem to be the same. Has there been a change in the concept of Information Canada from the time he started it? Is it an evolving organization where the main functions are not yet quite crystallized?

Hon. Mr. Munro: It is fair to say its main functions have not yet quite cyrstallized. It depends on what your own thoughts are as to how quickly an agency can be set up to carry on a certain mandate. I believe it is safer to have it assume a mandate in an evolving way, rather than all of a sudden, because the dislocations often are so serious when you try to do things too quickly that it is counterproductive. So I think it is an evolving role.

Senator Carter: Can you describe any changed concepts?

Hon. Mr. Munro: I might say that when you mention Prime Minister Trudeau's figure of 100 employees, and that we are now double that figure, I tend to think that any reference to a number of employees when it was set up did not include the employees inherited from other areas, and many of the employees it really took over from ongoing functions of other departments. So how many more employees they have above that number might be more in line with the number you are talking about.

Senator Carter: From what Mr. D'Avignon said yesterday, my understanding was that Information Canada itself now has over 200 employees.

Hon. Mr. Munro: Yes, over 200. But on the other point,—and I do not argue with your figure of 100: Do we see it playing the same role basically that we did then? I do. So then the argument is whether in fact it has been in a position to assume that role yet. If you agree with me, generally speaking, that the original role was to enhance the capability of the federal government to make information available to the public and get some type of general feedback assistance from that accessability of informa-

tion, then I think we are getting on with that now, primarily through the inquiry centre operation.

For instance, the federal identification program where departments were asked to adopt new insignia and put this on all government vehicles, using the maple leaf, establiishing a federal identification to our operations—that is something Information Canada was preoccupied with during the first year or so of its operation. I think that has gone reasonably well, and I think you can see evidence of it all around Ottawa and increasingly in various cities throughout Canada. This is one type of program that is symbolic of what the overall hope was for Information Canada, that they could establish a federal identity throughout Canada which I think, as I indicated in my remarks at the beginning, is so necessary in a country like Canada for national unity purposes, since there is a heavy regional preoccupation in the minds of many people both in public life and our citizens generally in Canada. If Information Canada does that and nothing else, I think it is a reasonable justification for its existence.

Senator Carter: I think one of the things that the witnesses yesterday pointed out was that the federal identification was a very important achievement for Information Canada. But we also had witnesses yesterday who seemed to have the idea that Information Canada was in an almost impossible position, because if it exercised too much power, it would excite a feat in people that it was becoming a super agency, which the other departments would be afraid of; and yet without that power they could not do very much in the way of spreading information in a more efficient way than is already being done. So they either have power to become a super agency, or if they did not have that power, there was not much hope that they could save money or avoid overlapping, which the Prime Minister also referred to in his policy speech to which I referred. What is your reaction to that?

Hon. Mr. Munro: Well, in a sense I answered that to a certain degree when answering Senator Grosart's questions, because I do not think that to perform its functions well it has to be a sort of super agency. I think that there would probably be so much resistance to that concept that it would be very difficult for Information Canada to do properly some of the things it is now getting underway to do.

Senator Carter: But some of the things that Information Canada has done best, as was pointed out yesterday, were where Information Canada had control. But there were only three or four instances of that, and the opinion was expressed that probably in three or four instances it is all right, but if you were to go beyond that, then it would be assuming the image of a super agency.

Hon. Mr. Munro: Well, I think if it has an assessment role and its assessments are regarded seriously by government in terms of the information operations of the various departments, then I think that is giving it enough power to do its job. Again I say that if Information Canada is accepted in terms of this inquiry centre operation in various municipalities, and is also regarded as a sort of feed-out system for the co-ordination of government information from other departments at the regional level, then I think that is already a very significant function to perform. And if it going to save undue duplication and the proliferation of various departmental information outlets operating in all municipalities in Canada of any significant size, that is going a long way to meeting the objectives that the Prime Minister and others mentioned in terms of avoiding duplication and saving expense.

Senator Carter: You mean at the provincial level?

Hon. Mr. Munro: Yes, at the provincial level and at the municipal level.

Senator Carter: Have you set up any discussions or consultations or agreements with the provinces to enable Information Canada to do this?

Hon. Mr. Munro: I am sorry, I thought you were talking in terms of provincial capitals. I think in terms of Information Canada's carrying on this role in terms of people, as opposed to levels of government. That is how I interpreted your question. In other words, that we would carry on this function for the federal government in the regions and in the municipalities throughout Canada. As to the role we play in terms of information dissemination vis-à-vis if you are talking about co-ordination with provincial and municipal governments, I can only answer that our experience with various of the inquiry centres, and, to a degree, with the bookstore operation, is that inquiries come into us, either directly from people or in some of the areas from these mobile travelling units or from other information centres set up by volunteer groups in the community—and this is happening all over—who also feed in inquiries to Information Canada regarding federal programs and overlapping federal programs with municipal programs, purely municipal programs, purely provincial programs. We deal with the provincial agencies and try to get the information back to them directly, or else have the information apparatus at the other levles of government do the job. I would not mind having one of my officials elaborate on this.

Mr. T. Ford, Director, Regional Operations Branch, Information Canada: That is correct, Mr. Chairman. In all of our centres we have worked out relationships with the provinces. For example, there is the arrangement in Nova Scotia where we have an inquiry centre under the one roof with the Province of Nova Scotia, so we are right there together and we can transfer people from one place to another. Then in Manitoba, we have telephone lines between our service and those of the Province of Manitoba. As senators are aware, many citizens are confused about what is in a federal system. We find these things are very useful.

Senator Carter: When the original press release was put out at the beginning of Information Canada, the impression I got from reading it—and I think others got the same impression—was that by setting up Information Canada we were establishing a vehicle which would be used by other departments, and in that way would avoid a great deal of duplication and waste that might otherwise exist, and often would relieve the burden on some of the various departments. We have 39 government departments of information, and the impression I have gained from those we have had before us is that they are not using Information Canada to any great extent, certainly not as much as they possibly could. What is your reaction to that?

Hon. Mr. Munro: My first reaction would be that to the degree this is apparent—and I believe this was referred to yesterday by some of the officials of Information Cana-

da—it is fair comment. If we become satisfied that even in the technical area Information Canada is not being accepted by the other departments, and even in this limited role we are not saving duplication, then this assessment can go before the government and new policies can be implemented directing the information services of other departments to avail themselves of the personnel of Information Canada. If no cooperation is being exhibited, then the government will have to accept responsibility for that deficiency and issue a directive to the deputy minister in charge of the department, giving specific instances where the services of Information Canada were not used and expenses were incurred by other information departments that were entirely unnecessary, since the facilities were available in Information Canada. Then further action could be taken.

Since I have been the minister responsible, which has been for only roughly seven months, I think Information Canada has been preoccupied with consolidating and trying to do a better job of what it already has on its plate. It has not gone into this area of assessment of what other information departments are doing, or certain areas where they might be undertaking functions that could be assumed by Information Canada. That does not mean we should not do it. I think we should, but we have not got around to it to any significant degree.

Senator Carter: Yesterday I asked a witness from an information department in what way the functions of his branch had changed since Information Canada came into existence, and he had to fight hard to think of anything. Eventually he referred to this logo, the identification, which is a good thing. Then he referred to films, and said that instead of contacting the Film Board directly they now make contact through Information Canada. That did not seem to me to be any great benefit.

On further questioning by, I think, Senator Grosart, it emerged that in the development of films the hardware was expensive, the technology was changing rapidly. This might provide Information Canada with an opportunity to really save money and be up to date, because Information Canada could have a unit large enough to be economical, instead of each department trying to do it on its own. Have you given much thought to that?

Hon. Mr. Munro: If we are thinking largely on the same lines, that some departments are gearing up with very sophisticated equipment, videotaping and all that kind of thing at great expense, I am inclined to agree. I do not think we have got into that to any degree. I believe it is a role for Information Canada to assume. I do not think we have come to grips with it all that significantly as yet. The point I would like to make is that I would like to see Information Canada save this duplication now primarily in terms of serving its priorities at the regional level.

The point you raise is very important, and what concerns me is that the primary concept of Information Canada was, in a grass roots way, to make information available to the Canadian people; to the extent that it was not being done, we would do it. To the degree that other departments decentralized locally and there was a proliferation of agencies doing this, only adding to the confusion of the public, I would resist that very greatly. For instance, if departments set up bureaux of information in various municipalities across Canada, then I think Information Canada could legitimately ask for a reassessment of information dissemination of the federal government. I have not seen that to any great extent yet, so I am not alarmed. The more we are moving into the area, the more we are assuming a function that is not performed by anybody.

That is where in the future I see great savings for the taxpayer, in the sense of one agency doing it. Certainly what is happening in terms of confusion is that, if there is not a central agency to do this job the inevitable tendency is for each department to try to do it themselves.

The Deputy Chairman: I should like now, Senator Carter, to change the subject, and then we can come back to you later.

Senator Hays: I would like to ask the minister how Information Canada functions. For instance, suppose a farmer writes in and says he would like to know what new varieties ofgrains have been produced in the last three years. If he wrote to Information Canada, what would be the mechanism to disseminate this information back to him? What is the time factor and so on?

Hon. Mr. Munro: If he wrote to Ottawa he would presumably go direct to the department. If he used the facilities of Information Canada at what I call the grass roots level, in the general vicinity of where he is—if we are talking about Alberta, either Calgary or Edmonton—he would go to Information Canada, who hopefully would have the information available. If it were information of a highly technical nature that required an individual response to the farmer, he would then get hold of the Department of Agriculture here in Ottawa. If it were a matter or urgency, the communication apparatus would have to do it quickly, by Telex or other means, to get it back to the farmer.

Senator Hays: Would Information Canada ask the department to send out this information, or would the department send it to Information Canada—who would relay it on?

Hon. Mr. Munro: If it were information that was generally available and in print and the farmer was not aware of it, Information Canada would hopefully have it in stock and send it out. For supplemental material, if the department were contacted it would go from the department direct to the person making the request. I am getting into certain details, and I am basing my reply on assumptions at the moment. I hope that if I am saying anything that is inaccurate I will be corrected.

Senator Hays: How much money is being spent to inform the people about Information Canada? In my area, the very fact that it is called Information Canada instead of "Information about Canada" is confusing to a lot of our people. I think the young people grasp this much better than the older people. They look upon Information Canada as something far out. I don't think they really understand it. I wonder how much has been spent to explain to them just exactly what Information Canada is all about. Even in this committee I know that we are learning a great deal about Information Canada that we did not know before. It looked like the sort of political setup through which the government was going to issue its own propaganda. As a matter of fact, that has been suggested in this committee three or four times in the last two days.

I am wondering how you tell Canadians that this is available to them. How are you going about this? How are you telling them what we are spending, and that sort of thing?

Hon. Mr. Munro: The reason I do not think too much has been done in terms of advertising the role of Information Canada is that, in the first place, you would raise expectations even further only to have a terrible shortfall in terms of meeting those expectations. Moreover, Information Canada is just in the process of getting its bookstores established. It has inquiry centres only in six of the capitals so far.

So if we started to advertise, if you like, or to get out to the public the services that we want to perform but did not yet have the capacity to serve those functions, I think we would inherit even more criticism.

That brings me to a further reason. We have tried to establish to a lot of people right here in the capital what we are trying to do, and we are trying to win a degree of acceptability, because as I said before I cannot recall any agency which has had so much difficulty in winning a necessary degree of acceptance. It just seems that Information Canada has borne a terrible brunt of criticism right from the very start.

I believe we are beginning to win that degree of acceptability on the latter point, but I think on the first point, as we get this network of centres established throughout Canada, there will then be time enough to do what you say should be done. I agree with you that it should be done, although I don't know that this is the proper time to do it.

Senator Desruisseaux: In connection with the report of the Auditor General, it is mentioned, in reference to the annual financial statement giving the financial position, that the true cost of the publishing activities are not prepared by Information Canada. Would you care to comment on that? Is that an ordinary situation?

Mr. A. G. Trickey, Assistant Director General, Information Canada: If I may answer, Mr. Chairman, the annual report required to be published on the publishing activities is printed in the Public Accounts. The publishing activity at the moment is financed through an appropriation of Parliament and we report the expenditures on those appropriations in the same way as any other department of government does. We do prepare an internal document for our own use on the direct costs and revenues generated from the sales of publications, but there is no requirement for any annual financial report for the publishing activity at the present time.

When we are put on a cost recovery basis, as of April 1, 1974, then there will be a full profit and loss statement prepared, displaying the profit generated from the full operation or the loss generated, which we would have to have supported through an appropriation of Parliament in a subsequent year. But at the present time there is no requirement to produce any financial report on the publishing activities as such. It is not a separate entity. It is not a crown corporation.

Senator Everett: But that will be rectified in 1974 by the cost recovery program.

Mr. Trickey: Yes.

Senator Desruisseaux: It is also stated in the report of the Auditor General, at page 340, that the recommendation had not been acted upon. It says:

> No inventory record is currently maintained from which the free distribution and actual sales statistics of individual publications can be obtained. As a result there is no information, centrally located, from which a decision can be made on re-order quantities, excess stock levels, and disposal of slow-moving and obsolete stock items.

It goes on to say:

> A Working Group on Publishing made up of government, industry and university consultants recommended in August 1971 "... that an inventory be taken at once and a condemnation board be convened as soon as possible to dispose of obsolete publications or those surplus to requirements." This recommendation has not yet been acted upon.

Maybe it has been acted upon now.

Mr. Trickey: I think that we have to take that recommendation or observation in relation to the fiscal year on which the Auditor General is reporting. Subsequent to that fiscal year a lot of work has been done on rationalization of the inventory. We mentioned yesterday that there were some 70,000 titles in the inventory, many of which dated back into the early 1900s. These are not saleable and are taking up warehouse space and so on. We have at the present time a team of ten people working at culling the inventory. We have condemnation boards set up that are acting in accordance with the directions as to how condemnation board are to work. They are examining all of the titles to see which ones are still saleable and which ones are not. The whole inventory of 70,000 will, I suspect, be reduced to something between 12,000 and 15,000 titles which will have a sale value or will be saleable.

This work should be completed, I would think, around the end of this month or in early July.

Senator Desruisseaux: Further to that, may I ask now whether you have reserved some of these obsolete publications that you have had to pay for?

Mr. Trickey: I am not sure I understand you, senator.

Senator Desruisseaux: If these books depreciate to a considerable extent and in some cases to a nil value, how is it that they will be cleared out to a reserved stock?

Mr. Trickey: These books are bought initially through an appropriation for Information Canada and prior to that in the Queen's Printer they were paid for in an appropriation. They are put into inventory and they have a memo value, if you like, in that there was an initial cost. They are in inventory and can be sold providing there is a market for them. We do remainder some and we reduce some of the initial prices when we get to the point where the books do not have a general appeal but are down to a small number. In some cases we have probably made bad purchasing decisions, in that we thought they were doing to be a good seller but in fact were not. Every bookstore in the country does that same sort of thing.

So you have your remainders. We make sure that there is at least one copy available in repository libraries and we check with them again before we destroy the copies

that are left in inventory. We make sure that the National Library, the Public Archives and so on, and any other interested departments, are contacted in order to make sure that copies are available in the areas where people want them. Then we take the last, ultimate step and put them through the shredder and sell them as scrap paper.

Senator Grosart: That last remark worries me . . . you put them through the shredder. I happen to be a book collector and it is notorious among book collectors that departments in the past have thrown out very valuable books. I bought seven 1871 Parliamentary Companions that had been thrown out by a departmental library. What will you do with this very valuable inventory, going back into the early 1900s? I get book collectors' and booksellers' catalogues and the parliamentary report of 1911 is worth money, it is worth a lot more than its face value. What are you going to do with this inventory, before you put it through the shredder? Are you going to publish the list and make it available to the public, so that they can get these things if they want them? I have always been against destroying books, whether for theological, political or bureaucratic reasons.

Mr. D'Avignon: I think Mr. Beauchamp can deal with this.

Mr. Beauchamp: I am also a great lover of books. That kind of publication we do not destroy for the time being; we put them aside. All our condemnation activities so far have been with acts, amendments, committee reports and so forth. That other type of publication we do not destroy. There will be special action taken on them. They will not be condemned.

Senator Grosart: I hope you will make everything available to the public, because there are about three people in Canada today who are competent to tell you the value of an amendment to an act in 1911. I know that to be so. So I hope that you will give the public an opportunity to buy anything you have, somehow or other, whether by advertising or otherwise.

Hon. Mr. Munro: Some sort of auction?

Mr. Beauchamp: Once our condemnation is over we will make special lists of those and offer them to municipal libraries, university libraries, people who have the means and the ability to index them and catalogue them.

Senator Grosart: What about the public? Let the public have a look at them. Let the public have an opportunity to buy any of this material.

Mr. Beauchamp: We could do that. We could have a special sales counter for those. I must admit that the thought had not struck my mind.

Senator Grosart: Just a catalogue would do, a catalogue that is available . . . and I hope you will make a semantic change and throw out that word "condemnation".

Senator Rowe: Mr. Chairman, I have half a dozen small questions that are inter-related, revolving around some of the points. About this whole business here of the list, if one takes a specific item as an example, *Native Trees of Canada*, I recall that some 15 or more years ago there was a book put out by the Government of Canada called *The Native Trees of Canada*. Then three or four years ago another one came out, called *Native Trees of Canada*, which was by different authors, and it was an improvement, in my view. That book, that second one, was on sale at different book stores around Canada. I bought one of them at the bookstore in Montreal Airport. I was looking for one the other day for a friend of mine and could not find one, either in there or in several of the bookstores. I just wondered about the whole technique, the whole procedure. For example, I think it was under the auspices of the Forestry Branch that this particular publication came out. I presume that the Forestry Branch decided that it was desirable that they put out this publication, and that they decided on how many copies to print.

Mr. Beauchamp: Yes.

Senator Rowe: Then who decided the time had come when a new edition would be put out, or a new book would be issued, or a replacement? Who decides when the time has come? Is there any significance to the fact that at this time I cannot find a copy of this particular book? Is that merely a coincidence? Or has it been long out of print? Who decided that? Is there some official who says that he thinks it has been in print long enough and that they will do away with it? Who decides how many copies? Again, there are other publications here—

The Deputy Chairman: Do you want that question answered?

Senator Rowe: Could I complete the whole thing and perhaps they could all be dealt with at one time? I am talking about procedures and techniques.

I am a collector of books, as I suppose I could call myself, too, but there are publications in this list here I have not heard of, and I spend a great deal of time in bookstores in Canada and elsewhere. I wonder about some of these, like *The Birds of Canada*. I have seen that all over the place. There are others that I did not know were in publication; they are certainly not available in bookshops in Canada. What is the reason for that? How is that rationalized? Is that because the Classic Bookshop in Montreal did not order it and found they had no interest, or is it because some official in some department did not push the thing?

The Deputy Chairman: Are you talking about government information bookstores or about private bookstores?

Senator Rowe: I am talking about ordinary bookstores such as Classic. Why are some of these available and others are not? Is it because the bookshops, the owners or proprietors, have no interest and say they will not order them; or is it because there is no pushing, no plugging, no advertising done?

Why is it that I am familiar with a number of books on this list and others I have never heard of or did not know of their existence? I do a lot of reading. I read a lot of reviews, some 20 publications or more, and it seems to me I should have been familiar with the fact—if I am not familiar with the publication, I should at least be familiar with the fact—that there are such publications, that they are available.

On this business of destroying books, to which Senator Grosart referred, before they are destroyed, are the public of Canada generally advised that, "These things are here. They were published in 1911, and they have been lying in our warehouses now for 60 years. We plan to destroy

them, but before doing so would you be interested in them—would the schools or colleges be interested?"

The Deputy Chairman: I think that question has been answered.

Senator Rowe: I have one other question, and I will not detain the committee. Do we have a list of best sellers of Canadian film productions? Does that come under your department?

Mr. Beauchamp: No, it does not come under publishing.

Senator Rowe: Incidentally, why would book publications come under Information Canada and not film publications? There must be some rationale for that, too.

Mr. Trickey: The answer is that the films come under the National Film Board Act. It is the responsibility of the National Film Board. They have a catalogue also.

The Deputy Chairman: Would you be in a position to answer the other question, as to why those titles do not appear in an ordinary bookstore?

Mr. Beauchamp: It is a question of marketing. At the moment we have a marketing program on, it started last fall. We have high rate marketing people. Canada has been divided into geographical regions, each headed by a regional marketing manager, whose main function is to develop the setting up of authorized agencies for Canadian Government publications, then to establish contact with individual retail book sellers, all the time at local level.

Senator Molson: Mr. Chairman, may I ask the minister a general question? A little earlier the discussion was on the problem of having centralized information through Information Canada, as distinct from the efforts of individual departments. Have we any idea of the overall expense of the information efforts of all the departments in addition to Information Canada?

Hon. Mr. Munro: To get it down to finite proportions, I think the Treasury Board could give a calculation as to every dollar that is expended at the federal government level in terms of information dissemination. If you want to get a more rudimentary picture, that would not be entirely accurate, you would just have to compile the expenditures that are submitted in all the programs, program forecasts and what is actually given for each information division of each federal department of government. You could do the same for the Crown agencies. That figure generally could be obtained. A lot of things in the information area are done by various agencies perhaps are not done through the information services, and that is where you would need the Treasury Board to come in and supplement. I think we could get you the figure—there is no reason why we couldn't—by compiling the expenditures of the various informational divisions of all departments.

Senator Molson: Would it not be of interest even to you, Mr. Minister, to know what are the proportions of what is being expended?

Hon. Mr. Munro: Yes. I have seen efforts made at the compilation of these figures and what is being expended myself. The only reason I am not telling you now is that I have forgotten what they are, but we can get you some information on that.

The Deputy Chairman: Yesterday the question was asked and Mr. D'Avignon suggested that he might be able to get us some information on that.

Mr. D'Avignon: We will be in touch with Treasury Board on this. I do not believe that what is in the estimates book would really form a total picture.

Senator Everett: I think the question asked yesterday, Mr. Chairman, was as to the cost of the product relating to publication services. The question that Senator Molson is asking is entirely different because he wants the total cost of all information services.

Mr. D'Avignon: In terms of the information requested by Senator Grosart, we have come to the conclusion that we cannot extract this from the blue book because only Treasury Board could answer that.

Senator Rowe: On that question, Mr. Chairman, was there not a statement made yesterday that there were X number of persons involved in publicity and information? Surely the figure of their cost—salaries and offices and staff—would be easy to compute?

The Deputy Chairman: That is what the minister is suggesting, that his department could find that information for us either through his own department, or through some other source, or through Treasury Board. I think that answers the question. From that we may be able to get a breakdown of the publication costs, which would answer the question asked by Senator Grosart yesterday.

Senator Everett: Mr. D'Avignon answered that the publication cost would be very difficult to get and is not readily available, and I think it obviously should be communicated to Senator Grosart.

Senator Yuzyk: I have two questions to ask of the minister. The first concerns the relationship of Information Canada and the other 39 information services. How does Information Canada approach the 39 information services of the government departments in its co-ordinating efforts?

Hon. Mr. Munro: Well, senator, I have endeavoured to answer that.

Senator Yuzyk: What I am trying to get at is this: Are meetings called of these officials of the various departments regularly to discuss policy, implementation of policy, and so on? And how often?

Hon. Mr. Munro: Yes. There is a council of information officers that meets under the aegis of Information Canada. They meet periodically, ten times a year.

Mr. D'Avignon: I think, Mr. Chairman, that I would like to ask Mr. Monk, the Director of Communications, to add to this.

Mr. Monk: Mr. Chairman, the question was how we cause these things to happen. In the division there are four liaison officers and each of these officers is supposed to maintain an effective relationship with his client departments. He is supposed to be aware of their developments, their programs and so forth, and be in a position to suggest areas where we might be of assistance, develop their confidence in our ability to assist them so that they

think of us as being useful to them. In other words, the liaison officer brings to us possibilities for projects.

We also maintain an active liaison with the advisory committee of the Council of Information Directors of which Mr. D'Avignon is the chairman. This is a direct recommendation out of the task force, and the full council meets every year and the advisory committee, as has been said, meets ten times a year. There are 12 members elected by the directors of all the departments that sit on this advisory committee. We use them as a sounding board for ideas and proposals for co-operative undertakings. We use them also to ask how they feel about the initiatives that we might want to take in those areas where there is clearly between-portfolio responsibilities, and we value their counsel. So this is how we keep in touch at all times.

Some of the things that come out of this are the two booklets that we have mentioned. The other things that come out, and we use this community in carrying out some of our mandates. For instance, the Treasury Board Secretariat has asked us to undertake, on their behalf, a comprehensive and complete review of government publishing policy. This goes right through the role and purpose of publishing and so forth, right down to the cost recovery which has been mentioned and which is an asset.

We have also been asked by Treasury Board to undertake an assessment of what it really would cost to maintain a thoroughly effective bilingual publishing system and to ascertain what departments are really spending to see that their material comes out on time in both languages. Nobody really knows. Now we find this close association with the community invaluable in this sort of thing, and my branch, the Communications Branch, is currently more active in clarifying and working in policy areas, looking for new standards throughout the government in various fields of communication than in handling specific jobs on behalf of departments.

At the same time, we do handle many. We assisted the Royal Canadian Mounted Police in their plans for their Centennial at their direct request. We are currently organizing for the Department of Public Works, the host department, and many other departments work on a congress on navigation which is to be held here in July. We are currently helping External Affairs, as has been mentioned, in an analysis of what they might do overseas. We are helping them in the publishing end of the forthcoming Commonwealth heads of government meeting. That is to take place here. There is a great deal of publishing, signage, general PR. We are helping in all of that.

Hon. Mr. Munro: If I could just add one other piece of information, Mr. Chairman, that might be of interest to the senator. It is really in answer to what Senator Carter was asking about in connection with duplication in terms of hardware and sophisticated equipment. As I understand it, there is a committee of Treasury Board working on trying to come to grips with the amount of equipment available and trying to centralize it so that it will be available to all agencies. Mr. Douglas has something to say on that.

Mr. J. Creighton Douglas, Director, Audio-Visual Expositions, Information Canada: Mr. Chairman, we have conducted a survey of many of the audio-visual and technical production facilities in the national capital area. The information gathered has been furnished to Treasury Board, to a committee, studying the overall impact and requirements in the audio-visual field. We think the information will be very useful to them in coming up with a policy, and we hope it will help eliminate duplication. We are expending $2 million a year in salaries, and we find $3 million of equipment producing a lot of material and we believe that some opportunities exist for closer co-operation in a consolidation of these functions.

Senator Yuzyk: The reason I ask the question is that yesterday the witness before this committee from, I would say, a very strong department, left the impression that their information services have continued pretty well the same as they were before the establishment of Information Canada. I had wondered all along what kind of set-up you have, the relations between these departments, to make them aware of definite advantages in the improvement of their own departmental services. That was not clear yesterday when we were questioning the witness. I think this is very important information. Perhaps something more should be done with these other 39 departments, without forcing them—I understand what the problem is—to make them cooperate, because I had the idea that the cooperation is not quite the kind that Information Canada would like to get from all the departments.

My other question is a very broad one, which I asked yesterday, and it is about the task force. How do the present set-up and policies of Information Canada reflect the general recommendations and spirit of the task force on information? I think that was in 1969.

Hon. Mr. Munro: There are so many recommendations of that task force.

Senator Yuzyk: I am saying "generally".

Hon. Mr. Munro: I think that for an agency that has had such a short history it is endeavouring to do its best to reflect the spirit of those recommendations, more particularly to reflect the spirit of the mandate given to it by the government when it was originally set up. I repeat, the mandate was, very generally, to make information at the federal government level more accessible to the general public, so that they would be aware of governmental programs designed to be of assistance to them. I see that as a very needed function. With that, an ancillary to it, goes almost automatically the area where the federal presence is felt to a greater extent throughout Canada.

Senator Yuzyk: That part of being achieved, and that stands to be improved.

Hon. Mr. Munro: I will not get into it again in detail, but as we get into this whole area of inquiry centres throughout Canada, I think it will be the instrument to achieve that to a significant extent at the grass roots level, where the work has to be done.

Senator Yuzyk: We have discussed this matter before. Certain governments, particularly in Europe, that I am aware of, before they introduce various types of legislation, try to test out public opinion, using systems analysis and the like. As the minister in charge of Information Canada, have you ever given thought to this aspect?

Hon. Mr. Munro: Would you rephrase that question senator?

Senator Yuzyk: It concerns testing public opinion on the feasibility of certain legislation, or even the timing of certain legislation. This is being done, I know, in certain parts of Germany and other European countries. It is done through the government. I cannot tell you what agencies are doing it. Is your government giving thought, or has it given thought, to this?

Hon. Mr. Munro: I think Information Canada looked into the feasibility of developing some capacity in the feedback system. You just have to look at the expenditures of Information Canada. It is not one of the priorities of Information Canada right now to develop that, other than that incidentally it will be done through the grass roots approach, the dissemination of information and the setting up of these inquiry centres. I think the pattern of the inquiries will reveal quite a bit to government about where there is deficiency in certain areas. I have some reservations about getting it in a systematic, highly technical way by the government. Frankly, I am just as happy that it is not one of the highest priorities of Information Canada. I think the inquiry centres will do the job adequately.

There is also a network of people in public life themselves, who are supposed to constitute a feedback system in the democratic area. We are increasing the capacity for people in public life to perform that function. As you know, we are now talking about constituency offices being set up by M.P.s across Canada. We have a free press here in Canada that does this job for us. To the degree that government should endeavour to operate a sophisticated type of feedback system, I think we only open up Information Canada to criticism of the type we are trying to avoid. Many people would argue that if we develop our own feedback system it will be a highly selective type of feedback system; it will be highly self-serving. I do not know how you remove that type of suspicion.

Senator Yuzyk: I do not know either.

The Deputy Chairman: We will have another witness appearing very shortly, and I would like to end the questioning, if I could, with Senator Everett.

Senator Everett: Mr. Minister, you have put strong emphasis on the regional aspects, both of the inquiry centres and the coordination of dissemination of government information at the regional level. The development of Information Canada to date has been largely urban. The six centres are in the six largest, or anyway six of the larger, cities of Canada. There is the mobile officer test program. At our next meeting with Information Canada I propose to go more deeply into the development of the regional system, but while we have you here I wonder if you have any thoughts on how the development of the regional aspect of Information Canada should take place.

Hon. Mr. Munro: I can only answer that very generally.

Senator Everett: Presumably you are accelerating it now.

Hon. Mr. Munro: Yes, I would like to see it accelerated. I am happy that Information Canada has this as its pretty well number one priority for new expenditure over and above the expenditure already committed on programs it took over from other departments when it was constituted. I consider this a priority; I would like to see it expanded, getting to all the other provincial capitals, getting progressively down to the cities—this is of necessity arbitrary—of 300,000, 200,000, 100,000, in order to deal with it as a priority, being able to reach the greatest proportion of the people that you possibly can within a short time, and progress on that basis. I think then you will gradually be able to serve the entire population of Canada. When we will be able to do it to the degree that I would like to see it done will, I suppose, depend to a very large extent on the financial capacity and the allocation of funds to Information Canada.

Senator Everett: Perhaps we could see more of the plans at our next meeting and discuss those.

Hon. Mr. Munro: I have given you the long-term plans. The plans for the short-term are fairly well devised. This year we hope to open how many more new inquiry centres?

Mr. D'Avignon: Five.

Hon. Mr. Munro: That will be a total of eleven, one in every provincial capital.

Mr. D'Avignon: In the province. We are not too sure whether it will be the capital. For instance, it is not in Quebec City it is in Montreal; it is not in Victoria, it is in Vancouver.

Hon. Mr. Munro: We will have one in every province by the end of the year. I should not have put the emphasis on the capitals perhaps.

Senator Everett: Then we would want to see the results of what you call the mobile officer test program.

Mr. D'Avignon: Mobile units. We will be very pleased to develop our plans in terms of regionalization at the next meeting.

Senator Everett: I had two requests for information. One was the details of the loan of creative personnel and liaison personnel to other departments, January 1 to May 31.

Mr. D'Avignon: Mr. Monk, I believe, has this. I have another document.

Senator Everett: And the other was the detail of leases.

Mr. D'Avignon: I have that. Would you like me to go over it now?

Senator Everett: No, you can leave it for the next meeting.

Mr. D'Avignon: How would it be, senator, if I tabled the document now and it could be distributed to all members?

Senator Everett: That would be fine.

Senator Carter: Mr. Chairman, I would like to have this list included in the record for the benefit of other people as well as ourselves. Therefore, I move that the document tabled be made part of the record.

Senator Yuzyk: I second that motion.

The Deputy Chairman: All in favour?

Hon. Senators: Agreed.

(For list, see Appendix "B")

Mr. D'Avignon: With respect to that list I have just given you, I should point out that there will be a slight discrepancy in respect of the figures I mentioned yesterday, because these are more up-to-date figures.

The Deputy Chairman: If there are no further questions, Mr. Minister, I thank you on behalf of the honourable senators for appearing this morning.

I would also extend to you, Mr. D'Avignon, and your officials our appreciation for appearing again this morning. We hope to see you again next Wednesday.

Thank you very much.

Honourable senators, we are fortunate to have with us Dr. G. M. Carman, Director of the Information Division of the Department of Agriculture.

First of all, Dr. Carman, welcome to the committee. The reason you are here this morning is to show the relationship of your Information Division to that of Information Canada and to give us some background of your own department.

Have you an opening statement to make before we begin our questioning?

Dr. G. M. Carman, Director, Information Division, Department of Agriculture: Mr. Chairman, honourable senators, I have nothing formal in the way of an opening statement. I do have one or two documents if you would care to have them. For instance, I have a small summary of what our Information Division in the Department of Agriculture does.

The Deputy Chairman: We would be very happy to have that. Have you copies?

Dr. Carman: Yes, I have. There are some in English and in French.

The Deputy Chairman: Thank you.

Senator Yuzyk: Dr. Carman, is that information up to date?

Dr. Carman: Pretty well. I do not reprint it every six months or so if there are only small changes, but the basis is exactly the same.

Our Information Division in Agriculture is generally accepted as being a completely self-contained unit, in that we do our own writing, we have our own radio facilities, we produce our own television programs with the assent, consent and co-operation of the National Film Board. We do our own illustrating and so on.

We publish about 3½ million bulletins a year. To give you an example of what this is turning into at the present time, we received 7,000 letters from the public yesterday and about 400 telephone calls in Ottawa alone. Let me make it very clear that the normal number of letters we receive in a day is not nearly as high as 7,000. Somebody reviewed one of our bulletins in a syndicated column and that accounted for the extras. At this time of the year we normally receive an average of about 2,000 letters a day and about 350 phone calls. Those letters will usually be answered with a bulletin, but there are queries which do require independent replies. We have a five-day turn-around for all of them. Phone calls, of course, are answered at the time, unless they demand scientific research or something like that, but the letters received have a five-day turn-around in general.

Last year, on the average, we received about 1,500 letters each working day.

The Deputy Chairman: From across Canada?

Dr. Carman: From across Canada to our office here in the Department of Agriculture.

Senator Yuzyk: Are these letters directly to your department?

Dr. Carman: Yes.

Senator Yuzyk: How many come through Information Canada?

Dr. Carman: About every second day. Information Canada sends us the letters they get regarding agriculture. Sometimes we get 50; sometimes we get 75. In the wintertime we will only get two or three. It depends on the circumstances and on certain publicity that has been given, say, to a publication or to a particular problem.

Senator Hays: Dr. Carman, I understand you send letters to all of the farmers in Canada.

Dr. Carman: We do.

Senator Hays: That is a monthly letter?

Dr. Carman: Yes.

Senator Hays: In this letter have you ever indicated to the farmers any of the history of Information Canada by which they would know that there is information available to them, other than agricultural information, by means of Information Canada? Have you publicized Information Canada at all through this medium, in other words?

Dr. Carman: Not in this manner, sir, because that letter is reserved normally for specific uses, explaining new legislation, regulations or trade, or what-have-you in agriculture. It is loaned on occasion, as I believe it was in your time, sir, to, say, the Minister of National Revenue when he had a new act coming in. It is loaned, for example, to the Department of National Health and Welfare. In fact, we make that letter available on a loan basis to any other government department that asks for it. Statistics Canada maintains the mailing list. We provide the equipment; we write the letter, take it to them and they put on the labels and get the letter out. They are the only ones who keep an up-to-date list of the 325,000 farmers in this country. We are not going to duplicate that.

Senator Hays: At the time I was there the letter used to consist of about four pages. Is it much larger now?

Dr. Carman: It is the same size. I have copies here.

The Deputy Chairman: Could I see a copy, please?

Dr. Carman: Surely.

Senator Hays: Wouldn't it be in the interests of farmers to know about Information Canada? In fact, you are only getting a few letters through Information Canada now. You know, I can think of all sorts of things that can

happen to a farmer. For example, new legislation insofar as building a home is concerned, and all these other sorts of things that have relatively nothing to do with agriculture *per se* but have to do with living on farms, would be of interest to the farmer.

Dr. Carman: If a certain department, sir, wished to request the use of this letter for a month for that purpose, I would personally have no objection, and I am certain that the minister would not.

Senator Hays: I think this letter is read by every farmer I have talked to. It really is a piece of information that has been of great help to them.

Dr. Carman: I would agree, or I would not put that much money back into the budget each year to get it done.

Senator Hays: Is this part of the reason why you receive so many letters?

Dr. Carman: That and history.

Senator Hays: If you mention something that we are doing in agriculture and it goes out to all the farmers in Canada, do you say that you get a response? Three thousand or 4,000 letters a day, if multiplied, amounts to 700,000 letters a year. That is a lot of letters.

Dr. Carman: I said our average was 1,500. We have mentioned Information Canada and its facilities on some of our radio broadcasts. We do put out a regular, taped daily radio broadcast—last year we used about five million feet of tape—to the various radio stations in this country.

One thing I should have said in the preamble is that we produce nothing that is not in both languages. There were two exceptions last year: one on blueberries for the Lac St. Jean region of Quebec, which was produced in French only; and the other in Western Canada on one of the grasses. The other language we had to use was Ukrainian, because about 75 or 80 people who grow that particular grass in that particular area are Ukrainians. Those are the only exceptions.

Senator Hays: When you get a letter from Information Canada, do you reply directly?

Dr. Carman: If it requires a bulletin, we reply directly that day, or certainly the day after. If it requires a letter, we send it out immediately and send a carbon copy to the originating agency, which in this case would be Information Canada. There are no exceptions to that.

Senator Hays: In the department there used to be research stations all over Canada. There was a sort of gentlemen's agreement that the province would distribute the information that came out of research to farmers. That would be their job. The research station confined its activities to research; but the concept of research in the old demonstration farm changed and it was the prerogative or the responsibility of the province, through their information centres, to disseminate this information to farmers. Is that still the case, or do you become involved in direct dissemination of this research information?

Dr. Carman: Yes, that has changed to a degree. In the last three years we have started out with a service entitled Canadex. This is an indexed, quick type of material which is the result of research right across the country. The universities are co-operating in this, as are the provinces and our research stations.

Don MacDonald, who used to be with the *Family Herald*, is the writer responsible. These go to every extension man in Canada on a routine basis.

Senator Hays: Every extension man in all governments?

Dr. Carman: Yes; and university personnel. We act not only as the originating agency, but also as the co-ordinating agency. This helps to take part of the load off the research stations, who were becoming so involved with people walking in to ask for information that we had to do something about it.

Senator Hays: Where was the breakdown in the province not getting this information out from the research station? Actually, it was the province that asked for this in the first place. They said, "You do the research, and we'll take the credit and get it out."

Dr. Carman: It was not a matter of breakdown so much as volume. Let's face it, the agricultural representative, or the agronomist, or whoever is working on extension in the provinces, simply does not have time to keep up right across the country. Nor does he have time even to keep up with his own station. We had to supplement this, if we were going to get the material out.

If I might digress, I am not an information man; I am a scientist gone bad, but I was so annoyed at the lack of filling-in-the-gap between the research man and the final user that I protested rather volubly, and, as a sort of remission for my sins, I was made Director of Information to close that gap. This is why Canadex was developed, why the radio things were developed, why several other innovations were put into the department. It was to close the gap and take the load off the research stations and research scientists.

Senator Carter: Are these letters that you get from Information Canada different from the ones that you get generally?

Dr. Carman: Not necessarily so.

Senator Carter: I was wondering why they would write to Information Canada, and whether they wrote because they did not recognize that it was an agricultural problem. Why would they write to Information Canada? Why would this small bunch write to Information Canada instead of writing to Agriculture?

Dr. Carman: I would think the answer is that in certain areas it is becoming rather well known that Information Canada is a spokesman for the government, that they are available, particularly in cities where they have offices, for immediate information. Some people write directly to Information Canada on that basis.

Senator Carter: These inquiries, then, would be initiated possibly in some centre and relayed through Information Canada to you?

Dr. Carman: That is correct. For instance, if they get an urgent inquiry on wheat, or on grasshopper control, or something like that, they will phone us from Information Canada, particularly if it pertains to pesticides, or something like that of a technical nature. They should not reply until they have that particular technical advice. They

phone in, for instance, from Winnipeg and say, "What can I use on grasshoppers?" We can give them the actual pesticides that are possible, and they, in turn, can phone immediately to the person requesting it.

Senator Carter: That is the one advantage of Information Canada, that it provides a federal presence in a community where the Department of Agriculture would not have a presence.

Dr. Carman: That is correct.

Senator Everett: How many regional centres do you have?

Dr. Carman: We have no regional centres *per se* at all. We have the central headquarters here, and then we have 48 research stations or substations across the country. These are open to the public and the public use them. For instance, if I might use the Experimental Farm here as an example, we had 25,000 visitors we accommodated on apointment last year and took around the Experimental Farm *per se* or in groups.

Senator Everett: That is for one year?

Dr. Carman: That is for one year. It is going up each year. For instance, we had a group of Austrians in on Monday who came here, to the central headquarters, before going across the country. We have another group coming from Austria a week Friday.

Senator Everett: So inquiries made to the Department of Agriculture would, for the most part, be made to Ottawa?

Dr. Carman: That is correct; unless you have somebody like Senator Hays, who lives in Alberta and knows that his answer can come from either Lethbridge or Swift Current in Saskatchewan, the dryland area, or perhaps Lacombe. They would either phone, go or write directly to that station; but unless they had that particular knowledge, they would not do so; they would write to Agriculture Canada.

Senator Everett: If I wanted information on trees, I could go to Morden and they would answer the inquiry.

Dr. Carman: Right there.

Senator Everett: All of your 48 stations are actually involved in research. They are not there as inquiry centres, as such?

Dr. Carman: No. This is simply ancillary and supplementary; their primary responsibility is research.

Senator Everett: As Information Canada expands its regional function, this would not in any way conflict, in your mind, with what the department might be doing?

Dr. Carman: It would supplement it and complement it; it would not be in conflict.

Senator Everett: You would be in favour of that?

Dr. Carman: In general, yes.

Senator Everett: I do not mean from a policy point of view, but to assist you in your work.

Dr. Carman: Yes. We do provide now certain technical assistance and certain publications that we know are going to be of importance.

Senator Everett: Indeed, if I got in touch with Morden about something that was not directly related to the Experimental Farm—

Dr. Carman: They would write me.

Senator Everett: Suppose my chickens were dying like flies and I got in touch with Morden, they would not really have the expertise there.

Dr. Carman: No, but they would know where it is, right in Winnipeg. There is a laboratory there, and they would give you the phone number right there and then.

Senator Everett: So they also act as an inquiry centre?

Dr. Carman: Yes. They have to, because if there is a federal presence there, that is the first place the people of that area will go to, and even if it is not in their realm of expertise, they are expected to know; that is just human nature. Most of the time these people will know where to refer them. If they cannot give them the answer, they will know where to refer them.

Senator Everett: Suppose I ask a question having to do with the capital gains tax?

Dr. Carman: They would probably suggest you contact the Department of National Revenue.

Senator Everett: They would refer me to somewhere else?

Dr. Carman: Yes, for anything they could not handle.

Senator Everett: And they would do the same with the chickens?

Dr. Carman: If this was a disease problem, yes. If it were a case where you phoned in and said, "I want to raise a small flock of chickens in my backyard, how do I do it?"

Senator Hays: They have a bulletin?

Dr. Carman: I am glad you brought that up, because I came prepared for it.

Senator Hays: Which goes to prove that the best culture is agriculture!

Dr. Carman: Incidentally, gentlemen, this particular publication in my hand is an example of a system that was started three years ago in which, if a provincial publication comes out and it is needed federally, we have a co-operative arrangement with all the provinces that we publish it and they pick it up from that point on. It has worked to our great mutual advantage. We have nothing but the best of co-operation from all the provinces. We meet on a yearly basis and we also meet federally and provincially with all the provinces twice a year, to make sure that there is no duplication of each other's efforts. That applies to publications in radio, television or anything else. We cannot afford to have duplication.

Senator Everett: Does Information Canada publish a complete list of your publications?

Dr. Carman: We publish that, and Information Canada has it on hand. We give them a certain number of copies.

Senator Everett: You have brought a lot of material. I wonder if all that material could be deposited with the committee.

The Deputy Chairman: Yes, it could be.

Senator Yuzyk: I have an observation and I think this is important, since I am in the field of history. When books come out, I look at the publishing date. I looked right through this pamphlet and I have no idea when it was published. I finally found out something about the 1970-71 fiscal year. Why do you not include the date of issue, so that it would be very evident from this pamphlet, when I turn it over to someone for information, as of what date the information is?

Dr. Carman: That is not accidental. These cost me a certain amount of money to publish; and unless and until the policy is changed, I wish to utilize that book, just for the purpose for which you are looking at it now, for the services that are extended. If I put a date on it, say 1970, and I give it to you, the first thing you are going to do is say that it is completely out of date and that you want something updated. This would mean that I would have to go back and print each year, to keep it up to date, whereas in actual fact the information contained therein is not out of date. So that is a sin of commission, sir, not of omission.

Senator Yuzyk: A lot of books have reprintings and they show the dates of the reprints. They have "February 1972, reprint," so you at least know what the date is.

Dr. Carman: That is correct. On every book published I would do that, but for a public relations piece, no, I do not want to spend a darn nickel more than I need to spend, and that is why the date is deliberately left off. Something like this other one I have here now, this is a whole series we put out on the control of different insects and so on, from bedbugs down along the line. That date is on there very deliberately, because as of March 31 each year that is no longer valid, because new pesticide regulations may come in. We print what we need of those. This is just a sample of that.

Senator Hays: How do bedbugs get into the Department of Agriculture?

Dr. Carman: History, sir. We have the Entomology Research Institute in the department. We also have the responsibility for pesticide registration. That is why.

Senator Desruisseaux: Are you sometines asked from outside this country for information?

Dr. Carman: Yes, we would probably have a hundred letters a week in the summertime for information from every place along the border. We put out radio tapes and I have left two of these here, one in French and one in English. The English one goes to 140 stations on a weekly basis, the French to 70 stations on a weekly basis. Every border station that has these on, the Americans can listen to them. We have a reciprocal arrangement. Cornell Agricultural Station at Ithaca, New York broadcasts, and a lot of Ontario people write to them for bulletins. The Northern New York State people, the Michigan people, the people along the Minnesota and the Dakotas borders write to us. We never question it; we simply answer them, because the problems are the same. Incidentally, they have never refused, that I am aware of, in any state or any university there, to send the information requested.

Senator Desruisseaux: Thank you.

Senator Carter: Have you made any special use of Information Canada? Or, to put it the other way around, has Information Canada had any particular impact on your work?

Dr. Carman: We go to Information Canada for exhibition work, for the inauguration of the federal logo, and so on. Wherever their terms of responsibility lie, we use them.

Senator Carter: In what way has your department changed? Your functions have not changed?

Dr. Carman: No, they have not, sir.

Senator Carter: This is just a convenience?

Dr. Carman: They have certain fiscal responsibilities and certain other responsibilities which are theirs, and we must deal through them.

Senator Carter: But your information service functions substantially as it did before Information Canada came on the scene?

Dr. Carman: Substantially so, sir.

Senator Yuzyk: My question was essentially the same, but I would like to ask the other question. First of all, you have found that Information Canada has been of some use to your department?

Dr. Carman: Yes.

Senator Yuzyk: The other question is: How do you co-operate with Information Canada?

Dr. Carman: Well, co-operate in what way?

Senator Yuzyk: In any way—say, aid in the distribution of your material. I understand Information Canada deals with Canada in general, and there may be an agriculturalist who is interested in other aspects of Canada. He may at that time concentrate only on a certain aspect of agriculture, but he may want other information too. Do you sit down with officials of Information Canada to discuss—

Dr. Carman: Kindred problems?

Senator Yuzyk: Problems that are of direct interest to you?

Dr. Carman: I was the first chairman of this advisory committee to Information Canada; in fact, up until this January, I was the chairman of that committee. We sat down with Information Canada on a routine basis. The advisory committee is meeting this afternoon, for example, to discuss problems that will be, not pertinent to agriculture *per se* but will be right across the Public Service and the country as a whole.

Senator Yuzyk: So you co-operate in their meetings?

Dr. Carman: Yes, and if I have a specific problem where they should come in, they are just as close as my phone. Conversely, if they have a problem that I can help with, they do not hesitate for one moment to call me. They do this on a routine basis.

Senator Yuzyk: Have you felt at any time that there could have been any kind of interference in information services?

Dr. Carman: Not as such, but when they inaugurated the logo, it took time to do so and get it in. We had a logo prior to that time. One of the first things I did when I came into Information Services some years ago was to give Agriculture its own logo. Then the federal government initiated a logo—with the principle of which I heartily agree. Having started one of my own, I could not disagree. We did have problems initially in design standards, and so on, and in getting going. Now, as Information Canada itself has improved its competence, these problems are disappearing.

Senator Yuzyk: You are constantly giving advice or suggestions as to the improvement of the services?

Dr. Carman: Oh yes.

Senator Yuzyk: And relations?

Dr. Carman: And relations, that is correct.

Senator Yuzyk: You are the Director of the Information Division of the Department of Agriculture?

Dr. Carman: That is correct.

Senator Yuzyk: Your division is satisfied that Information Canada has been of some use to you, and could be more useful in the future?

Dr. Carman: I think I could give you a yes to that.

Senator Carter: Could I just rephrase the question a little? From your experience so far, could you give the committee some ideas as to where, in your opinion, Information Canada could be more useful to you and to your information services?

Dr. Carman: They can assist me particularly in my publishing. At the present time there are a lot of books going out of print that I simply cannot afford to reprint in the number that is desirable. I am talking about books that are technical in nature, but for which I have to bear the entire cost. That cost is then recoverable to the Receiver General of Canada but not to me, so I have to budget for them. A book such as I.L. Conners' *Plant Pathology in Canada* costs $21 a volume; it costs me about $60,000 to print, and I get no recovery on that. Information Canada can, in its system of, say, partial contracting out, or on a cost recovery basis, or a revolving fund of some nature, assist me very greatly in the publication of these technical volumes that I want to get out. Also, when it comes to signage across the country, and things of that nature, if the exhibition commission can produce them at a cost I can afford to pay, the competence is there and I do not have to worry about going to contractors across the country all the time. They can act as a service to me in a great many areas where I need it very badly.

The Deputy Chairman: Who publishes them now?

Dr. Carman: I do. D.S.S. has a printing plant right downstairs. Most of them go out to a private contractor some place. D.S.S. handles the contracting; these go out and we pay for them.

The Deputy Chairman: They are contracted out?

Dr. Carman: Oh yes.

The Deputy Chairman: You have no printing facilities of your own?

Dr. Carman: No, not in Agriculture. D.S.S. has a unit right in our own department, downstairs from us, where we go when we need something in a hurry, and we can get it in a hurry.

Senator Yuzyk: These pamphlets and books are available at all the bookstores of Information Canada?

Dr. Carman: Some of them.

Senator Yuzyk: Most of the popular ones?

Dr. Carman: All the popular ones would be, yes.

Senator Carter: Other than publishing, you do not see any further impact on your operation by information Canada?

Dr. Carman: I do, sir. I foresee a further impact over a period of time as they expand their regional offices. I can see an increase in public inquiry resulting from that, and it will be an increase in public inquiry of a nature that they cannot answer; it will be of a technical nature that they cannot answer, that I will have to answer. I am therefore taking suitable precautions in my five-year budget to forecast for that.

Senator Carter: You said you have about 75 letters a day from Information Canada.

Dr. Carman: Not a day; they send them over in bundles. I do not get that many ordinarily. I would get a bundle of, say, 75, over two or three days.

Senator Carter: Is the volume through Information Canada increasing, or has it just about levelled off?

Dr. Carman: I would say it has levelled off in the last year.

Senator Yuzyk: But you foresee increases here with the increase in the agencies or various centres?

Dr. Carman: I think this is inevitable. As you make certain information available to the public, they will request more, and I can see no alternative whatsoever. I cannot give you a cost-benefit analysis graph; I can give you a prediction graph. I have already got my cost-benefit analysis team working on that, and they have given me a prediction graph, on which I am basing my estimates, particularly my five-year forecast.

Senator Yuzyk: Is this made available to Information Canada?

Dr. Carman: Mr. Monk, who was here this morning, went over that. I spoke to Guy D'Avignon about it when we did it.

Senator Yuzyk: So you co-operate fully in that respect with Information Canada, when it comes to publications?

Dr. Carman: Oh yes. I would be very stupid if I did not, because I wish them to help me with some of the problems I have.

Let me give you a specific example right now. There is a publication called *Wild Plants of the Canadian Prairies,*

by two very fine scientists. That is going out of print; it is a textbook being used in Canadian and American universities. There is a steady demand for it of about 1,000 copies per year. I cannot afford the $4.50 price tag, because I have to pay for it. Certainly the money comes back—it comes back to the Receiver General—but in my budget it will simply cripple me if I have to publish too many. I am hoping that the co-operating publishing program that Information Canada is working on at the present time with Mr. Beauchamp will get me over that hurdle, so that these highly technical and highly costly books that are needed will get out without hammering my budget to the extent that I have to cripple it some place else.

Senator Yuzyk: Other departments would have similar problems?

Dr. Carman: Yes.

Senator Yuzyk: Therefore, you get together with the officials of Information Canada?

Dr. Carman: That is what this advisory committee meeting this afternoon is on.

Senator Carter: You do not see any duplication between your operation and what is being done by Information Canada?

Dr. Carman: No. One is supplementary and complementary to the other. That is the way it should be, because we can then augment each other where the lacks and needs are felt.

Senator Carter: I think the problem is that the original press releases and notices associated with Information Canada, when the policy was announded, gave a picture of Information Canada saving money, cutting down on staff and on overlapping. We have not been able to discover in our inquiry so far whether very much of that has happened, and from what you have told us there is not much opportunity for it to happen.

Dr. Carman: May I give you a personal opinion on that, sir?

The Deputy Chairman: Please do.

Dr. Carman: I would suggest that as Information Canada builds up you will have the reverse situation, because the public will be demanding so much more. I think it would be folly to assume you will have the reverse situation to that. There can be no levelling off at this time as Information Canada increases; it will augment the needs that are presently felt.

Senator Carter: You have joint meetings of all the information branches. From these joint meetings do you draw up plans for the future together, or do you just deal with *ad hoc* problems?

Dr. Carman: We do both. For instance, we have been working on the printing and publishing program for three or four years. We have been working on the establishment of a career pattern for information services officers, so that we can increase the competency within the field itself.

Senator Carter: Can you give the committee some examples of where Information Canada has been useful as a co-ordinating agency?

Dr. Carman: Publishing policy *per se* is the best one I know of. Information Canada is not, as such, coming into each department and augmenting what they presently have. They have certain responsibilities that were given them, such as the publishing function, exhibition commission and so on, which are supplementary.

Senator Carter: When you talk about publishing, in my mind I do not associate that with Information Canada.

Dr. Carman: That is D.S.S.

Senator Carter: That was there before Information Canada came into being?

Dr. Carman: That is right.

Senator Carter: If Information Canada has never come into existence the publishing agency would still be there. I am trying to separate in my mind Information Canada itself from the agencies it took over. My question was posed in that context.

Dr. Carman: Our contacts outside of these routine ones, where they have taken over specific responsibility, are not all that heavy. That is not to say they should not be. I am doubly fortunate here—you must take this in its proper context, if I may say so—in that Agriculture, being one of the oldest departments, is almost completely self-contained.

The Deputy Chairman: What is your budget?

Dr. Carman: The total budget for this fiscal year is $2,394,000.

Senator Yuzyk: That is the budget of the Information Division?

Dr. Carman: That is the budget of the Information Division *per se.* I have man-years in that of 92.

The Deputy Chairman: Ninety-two man years.

Dr. Carman: Yes.

The Deputy Chairman: How many information officer positions, under the Public Service category of information officer, would you have?

Dr. Carman: There are 32 such positions.

Senator Carter: You spoke of how helpful Information Canada could be in publishing these books which your budget could no longer permit you to have reprinted. If Information Canada were not in existence, could you still get those books printed by the Queen's Printer?

Dr. Carman: Yes, but of necessity now I would be going to the Queen's Printer or to the Department of Supply and Services, or whichever agency it is, and asking for a revolving fund or some sort of return, for the simple reason that my budget would not accommodate this. My budget for personnel has not gone up. It reads as being at eight, but that is merely a consolidation out of the research branch of six people. The personnel have changed, but my costs, which are inherent and are built in

in publishing, in production and in labour, have gone up to the extent that I have to start cutting.

Senator Carter: But your problem could be taken care of even if there was no Information Canada, could it?

Dr. Carman: I would have to try to take care of it. Whether I could have or not—

Senator Carter: That is what I am trying to get at. You say that at the present time Information Canada can take over this task from you. They can afford it.

Dr. Carman: Not necessarily, senator. They are trying to work out a new type of contract so that the publisher will go in on a co-operative publishing program. The publisher would assume the cost and get part of the benefits.

Senator Carter: Yes, but if Information Canada did not exist and we were back to the situation as it was before the establishment of Information Canada, could that sort of thing still be done?

The Deputy Chairman: In other words, instead of this $40,000 or $60,000 going into the consolidated fund, could the Department of Agriculture sell those themselves?

Dr. Carman: There was no permission for me to do that. That is not to say that I could not have gone to Treasury Board for such permission, but so far I have not done so.

Senator Carter: But there was no agency which would facilitate that type of thing?

Dr. Carman: No, there was not.

Senator Carter: So that Information Canada is useful in that respect as well?

Dr. Carman: If this program comes through, it will be of great use.

Senator Carter: It will enable something to be done which possibly could not have been done before or could not have been done as easily before.

Dr. Carman: That is right, senator, but, more importantly, if they do come through with a program such as this, it will be for all of government, not just for the Department of Agriculture, and this is where the major effect will be.

Senator Carter: Yes, of course.

Senator Desruisseaux: You mentioned a while ago that some technical books were being published and circulated through Information Canada.

Dr. Carman: Yes, and being sold.

Senator Desruisseaux: You mentioned they are being sold to universities.

Dr. Carman: Yes, and in the bookstores.

Senator Desruisseaux: Is that a considerable volume of books?

Dr. Carman: Yes, particularly in the case of those books which are used for technical and research purposes in universities. For example, Mr. Conners' book on plant pathology, which took him 55 years to write, is a prerequisite for libraries throughout the world. It is a lexicon for the world in pathological organisms. There will be a constant demand for that book. Mr. Conners is adding to it this year. Even though he is 92 or 94 he walks to work every day and arrives at eight and finishes at five. He will add to that book and it will go in as a supplement to it. There will be a constant demand, almost in perpetuity for this book; not great, but constant. There is another book on the mushrooms of Canada for which we have a constant demand. Information Canada sells it. This year we are going to have to face the cost of reprinting it in both languages. There are sufficient sales in the English language to warrant reprinting in the English language, but the sales in the French language are restricted to the point where it is crippling. If I sell a hundred a year in the province of Quebec, I will be doing well.

Senator Desruisseaux: You will be penalized.

Dr. Carman: Yes, penalized because I cannot print 100. I have to print a minimum of 2,500; the publisher cannot afford to start his presses for less. I can afford to print 5,000 in English because there is a demand not only in Canada but also in the United States for the book. Information Canada will sell, perhaps, 1,000 copies, or 550 or 700 copies of it.

Senator Desruisseaux: Do you foresee an expansion in this field of technical books being circulated to universities, libraries, and so forth?

Dr. Carman: There has been a marked expansion over the years, senator, as these become available. There is a consolidation, too. For instance, there is one which will be coming out shortly. This just arrived on my desk the other day and I am still quivering from it. It will be all the moths of North America. The pre-eminent scientist in that field happens to be out here at the Entomology Research Institute. I did not pay too much attention to it until I read the figures. It will comprise seven volumes consisting of 700 pages and about 1,000 full-page coloured plates. When you consider that the built-in demand for that initially for libraries right around the world will be about 3,500, then I am going to have to publish, say, 5,000. The scientists themselves, and the librarians, will tell me the exact need. We will then have to hold those on the shelf. The cost of each set, I would hazard to say, will be a minimum of $100. If this comes out of my budget, or even the research budget, it is just almost an insurmountable cost. We have several of these coming up which are the result of many, many years of consolidated research. We just do not know where the money is going to come from. If a new program can be worked out whereby the printer himself assumes at least part of this cost on a cost recovery basis—

Senator Desruisseaux: Who would do that?

Dr. Carman: Any of the big printing companies who know that this built-in demand is there would be glad to undertake such an enterprise. They can include it in their inventories. It is on a constant cost recovery basis. They will plan ahead of time to sell, say, 50 copies a year. I represent Canada on a Commonwealth organization that publishes about £ 1 million worth of publications a year, and we have a predicted number that we put away for library use and build that right into our charges. This is not hard to do, senator. The cost benefits on that are readily worked out, as long as you have the initial funds to get you over that hiatus. This is the problem. It is not that big a problem to all departments. It is only a problem—

and I am perhaps dwelling on this far too much—to the Department of Energy, Mines and Resources, the Department of Agriculture, and the Department of the Environment where there are research establishments, life environment establishments with scientists who are publishing these types of books. This does not apply to all government departments.

Senator Yuzyk: Do you publish any material in languages other than English and French?

Dr. Carman: Yes, a limited number for certain needs. For instance, we publish the one that goes on all aircraft entitled, *The Friend You May be Carrying.* You may have seen it. We publish that in eight or nine languages. This is necessary because we want to catch every plane and every language coming into the country. As I said, on occasion we have published something for trade purposes, for instance, with Japan which is published in Japanese. As a rule, no, unless it is a specific publication for a specific purpose.

The Deputy Chairman: You mentioned a Ukrainian publication.

Dr. Carman: Yes. This was on red fescue and we did that because we wanted to get information out. They had an infestation of a particular pest in that, and we wanted to tell them that if they burned their stubble in the fall they would wipe out the pests. So we simply put a preamble in it in Ukrainian. It was no problem; one of my own staff did it; we set it up on the typewriter and it was out in nothing flat.

Senator Yuzyk: What proportion of your budget is assigned to publications?

Dr. Carman: I have the breakdown here. In this particular year it will probably be about one-third. That will include not only bulletins such as you see here, but it will also include such things as news, press releases—and this one, *This Month, with CDA*, we send out every month to all newspapers in Canada in both languages, and this one, *News, News, News,* goes out on a weekly basis to all radio stations, newpapers and so on in the country—and it will include all types of publishing.

Senator Yuzyk: Regarding books, what is the largest quantity of books or of any issue that you print? I would like to have some idea of what is involved in numbers.

Dr. Carman: Would you include this type of leaflet in your question—*What You Should Know about Pollution on the Farm*?

Senator Yuzyk: Yes, that is useful information.

Dr. Carman: We published 12,000 copies of this.

Senator Yuzyk: But you publish other books in larger numbers, do you not?

Dr. Carman: This one, *Growing Gladiolas*—we published 10,000 the first printing and immediately reordered, because of the problems of getting it out on time, another 25,000. In the case of something such as the *What you should know...* series, which is a series which goes to school children across the country, we started out with 50,000 copies because we knew we were going to get the demand. Here is another in the series, *What you should know about...* —grain elevators and so on—and with some of these we will start out with 100,000 in the two languages because we know the demand is there and that we are going to get it.

Senator Yuzyk: How about hard-cover books?

Dr. Carman: Hard-cover books, no.

Senator Yuzyk: And paperbacks?

Dr. Carman: Yes. Those are generally technical, and the biggest issue we have ever made of any book is 10,000. Normally it runs between 3,500 and 5,000. But if I had had the money when we published *Wild Plants of the Canadian Prairies*, I would have done 7,000 copies of it because I know that over a period of ten or twelve years the universities are going to pick it up and use it; but I did not have the funds, so we published 3,500.

Senator Yuzyk: But you are in a better position now with Information Canada?

Dr. Carman: If this new program for co-operative printing goes through, then that should take that load off my back; and I hope it does.

Senator Yuzyk: I hope so too.

Dr. Carman: There is one other thing, senator, if I might show you—

Senator Yuzyk: Yes, please.

Dr. Carman: I told you that we were pretty well self-sufficient. Now, for every letter that comes in and that goes to anybody on our staff for a written answer, there is a little card that goes out, and you can put them on one of these. Every week I have a numerical printout of those letters on the computer so that I can tell where a problem is going to come up before it actually becomes evident, in a great number of cases. It is a nice little system. Mr. D'Avignon and his staff have been co-operating on this for some time, and I think this will be something they will look into on a wider basis. I wanted to make the point that, whereas this was for Agriculture, I think that in co-operation with Information Canada it can be made available to all other departments.

The Deputy Chairman: What do you feed into the computer?

Dr. Carman: Every letter that comes in with an inquiry or a problem is registered here and summarized.

The Deputy Chairman: How many items or problem areas would you have?

Dr. Carman: We have an infinite number but, because it is on the computer, that is not a problem. I can then break it down by language, by subject, by location, by day, by legislation or regulation, political or otherwise, and so on. Then, if there is a pattern of letters coming in on a particular topic, it assists me to get a bulletin out ahead of time saying, "I need something on that particular subject, and I need it now." I use it as an indicator.

Senator Yuzyk: Does it sometimes put you in a position that you have to hire researchers to deal with problems of that kind?

Dr. Carman: No, I have two members of my own staff who are, I think, more competent than any I can hire, because they know not only the field, but they also know the business of researching the usefulness of a project.

To give you an example of that, I was rather worried last year as to the money that was going into television. I do a television program on a monthly basis and the budget is $55,000. We hire for that, because I do not have the equipment. We go out to CJOH on a contract basis. We put the film in, we dub it in, we have our own announcing staff and we have people in it. So I did a cost-benefit analysis, but I could not do it across the country, so I did it in Saskatchewan and Quebec. We found that we were getting 190 per cent use in Saskatchewan, which means that on all the stations in Saskatchewan it was used 1.9 times, which is almost twice. It was used once in prime time. In Quebec it was 1.89, which is essentially twice again, which meant that each station was using it twice, and most of them in prime time again.

The cost benefit analysis said that if I had to buy that time it would cost me half a million dollars, so I am not unhappy about my television work. The same thing applies with radio. We do the same thing on a routine basis; but these men know the content. Therefore, I would not go to an outside agency to evaluate this; I would stick right to my own staff.

Senator Yuzyk: Then, taking the CBC radio program at noon which I listen to from time to time, how are you associated with that?

Dr. Carman: You know the Market Report you get on Friday?

Senator Yuzyk: Yes.

Dr. Carman: Well, we voice that. We get the material and we put it together. We get the material in off the teletypes at ten o'clock in the morning, and it is all there.

Senator Yuzyk: Does CBC charge you for this service?

Dr. Carman: We should charge them.

Senator Yuzyk: Well, do you charge them?

Dr. Carman: No, we don't. There is no way I can. We summarize it. Ted Root is on that broadcast for the Maritimes at eleven o'clock. He starts about ten minutes to eleven. We have a set-up where each radio station can dial a number, it is on the tape for them and they can take it off, just like that. In the quiet hours, between four o'clock in the afternoon and eight o'clock the next morning, any radio station can dial in and get a program on what is happening in agriculture that day. It costs them $1. But the livestock program we voice through Halifax quickly, and then the French side take it and translate it and it is into Quebec City and Montreal for their twelve o'clock noon broadcast. Then it is on the wires and every other station has it for their twelve o'clock CBC broadcast. Not only do we make it, but we write it and we voice it. It is part of the CBC, but we voice it.

Senator Yuzyk: That is wonderful. I am wondering right now why Information Canada does not have a program of that kind right across Canada—it does not have to be very long—to bring to the attention of the citizens the information that is available, and how they can seek this information. There has been no such program that I am aware of.

Dr. Carman: Well, I cannot answer for Information Canada in that regard, but unless I had a demand program or something on legislation that had a built-in need, I would have to think a long time before I could warrant the money that it would require to get that across Canada.

Senator Yuzyk: But I think this is the type of service that the CBC can afford and should do.

Dr. Carman: That is beyond my purview, and I am sure you realize, senator.

Senator Yuzyk: Well, we are here to discuss these problems, and in our recommendations this could be very useful.

Dr. Carman: Again speaking from personal opinion, but born out of research over a considerable period of time, if I want to get, for instance, the new grain prices out, I have three methods for doing so. One is the *Farm Letter*, established by Senator Hays when he was minister, which need only be sent to the west. I can have a quarter of a million copies written, printed and distributed within five days, which I do. I would appreciate it if you did not ask me how I cut corners!

Senator Yuzyk: It is very efficient.

Dr. Carman: I just give it to someone who can do it. I do not do it, I assure you. I also send out a tape broadcast to each radio station but, at the same time, when I have a program that has to be out in a hurry I sweeten the pot by buying an advertising program. If I buy it for two, I know I can get three for free. Every one of these stations is in the business to make a profit. I would think that any program such as that would have to be pruchased initially, certainly, because they do not need us in this regard. They do need agricultural news, so we must differentiate between the two; but it can be done.

It may be done in another way, but here again I don't know exactly how it would be done unless it is at tax time. For instance, two or three years ago it became very apparent that more care had to be taken in the use of pesticides. We spent approximately $50,000 on the purchase of television time, producing a 30-second, a one-minute and a three-minute program. A five-minute program was sent to the USDA for use on the border points. We bought a minimum of time. We cannot buy time in the United States as it is all public programming and the government cannot buy it. We are more fortunate, because we can.

I will use a specific example of a program sent to Regina last year. I purchased five of the 30-second, two of the one-minute and one of the five-minute programs to be played at certain times. However, they took it on as a public service announcement. The total cost of the program was $50,000 for making it, printing it, getting it out and buying the time. At the end of three months we had $550,000 worth of free television time use. I am sorry Senator Molson is not here, because it went as far as Molson's taking one of their three-minute spots in a football game to use this. I believe, however, that if we had not done the purchasing we would not have got the other coverage.

Conversely, in the United States they use a five-minute program on every border station ad nauseam, but I was delighted because they cover Canada like a tent. I could not have bought that time. There is no way I can cost it either. It seems to me, however, that it costs approximately $55,000 or $60,000 for one three-minute insert in a football game. In other words, we paid for the entire program with that one-minute public announcement, which was for free.

Senator Yuzyk: That is something that the officials of Information Canada should take into consideration.

Dr. Carman: I am sure they have, sir.

The Chairman: What else should we know before you conclude? It is very interesting.

Dr. Carman: I can tell you where the demands are coming from in our Information Division because, as I say, we have a staff doing nothing but evaluating our requests and then evaluating our demands, which are two different things. Demands can be departmental or from the public. I think we are covered all right so far as radio and TV are concerned. I cannot afford TV in general; there is no way I can buy it. I can buy radio time, which is where my audience is. For instance, there are fairly good statistics and if I want to catch a summer urban audience I need to be on the air at 6.30 in the morning, because "bluecollar" workers are then on their way to work with the radio on in their cars. If I want to catch the farmer *per se*, I will catch him at 6.30 in the morning, when he is either in the stable or getting his equipment ready. I will also get him at noon hour, but at no other time. In the evening he wants to be entertained and does not want to listen to me at all. By "me" I mean the department. This type of thing is rapidly going to build up.

These pamphlets are for the information of school children and the public in general, who want information in connection with pollution control. We only produce these on a demand basis, and until we have a certain demand we do not produce. I run the correspondence through the computer to make sure we have it—this one is on seeds; this is on coarse grains; this is wheat. We published 10,000 the first time, 20,000 the second, 20,000 this time, and have already got it in for 50,000 this year. These are the return demands. This one is entitled *Conferences on Farm Woodlots*. The demand is constant and we have them in French and English. We publish these three times in three years, 10,000 each time. This one is entitled *Fruit Production*. Again, it was 10,000, 10,000, 15,000, 17,000, and the next one is 15,000, because I have the press there and cannot afford to do it in lesser quantities. Conversely, we printed 20,000 of this one on *Grain Elevators*. We still have enough and do not need to reprint this year. *Oil Seed Crops* is in the process of reprinting. We produced 15,000 in 1971, and will need an additional 15,000. The demand from the educational systems and the public at large for these will increase.

Senator Carter: Do you provide these free of charge?

Dr. Carman: We do, sir, with a maximum of ten. Certain of them are too expensive to provide free, such as the one on meats. The cookbook we produced for centennial year, *Food à la Canadienne* was almost a catastrophe. I calculated we would sell approximately 5,000 at Expo and we sold 5,000 in the first week. I took a 50-cent kicking on every one we sold because I subsidized it at that level. On the other hand, had it been on a cost-recovery-basis printing contract the printer would have made his profit and increased the price one dollar. We sold 50,000 and they are still selling. The demand for this type of publication will be there; and the further Information Canada goes afield, the further that demand will be built up.

The Deputy Chairman: Thank you, doctor. It has been interesting and most informative having you with us.

The committee adjourned.

APPENDIX "A"

Information
Canada

LIST OF BEST SELLERS

Canadian Agriculture in the Seventies
Meat—How to Buy—How to Cook
Poultry, How to Buy, How to Cook
Food A La Canadienne
Instant World
Rock and Mineral Collecting in Canada
Geology & Economic Minerals of Canada
Atlas of Canada with Gazetteer
Canadian Fish Cook Book
The Unbelievable Land
People of Light and Dark
Northern Cook Book
Report on Metric Conversion in Canada
How Canadians Govern Themselves
Native Trees of Canada
Indian and the Law
Fur Trade Canoe Routes of Canada Then and Now
The Canadian Constitution
Consumer's Cost Calculator
Canada—A Year of the Land
The Founders and the Guardians
Canadian Bill of Rights
Manual Respecting the Authority and Duties of Peace Officers in Relation to Arrest and Pre-Trial Release and Detention of Accused Persons
Looking Ahead to the World of Work
Beginning Hockey
How to Play Better Hockey
Coach's Manual—Hockey
5BX Plan for Physical Fitness
A Report of the Commission of Inquiry into the Non-Medical use of Drugs
Healthful Eating
Ski—Fun for Everyone
Family Camping
Birds of Canada
Parliament of Canada
Fire Safety in the Home
Canadian Mammals
Corn Goddess & Other Tales from Indian Canada
Mushroom Collecting for Beginners
Office Consolidation of the Canada Corporations Act
Foreign Ownership and the Structure of Canadian Industry
Report of the Special Senate Committee on Mass Media
Report on Bilingualism and Biculturalism
How Parliament Works
Report of the Royal Commission on the Status of Women in Canada
Arms, Flags and Floral Emblems of Canada
Report of the Special Senate Committee re: Poverty in Canada
Canada Handbook 1972
Canada Year Book 1972
Code of Navigating Practices and Procedures
Flying Training Manual
Air Navigation Orders
Weather Ways
Statutes of Canada 1970

APPENDIX "B"

LEASE CONDITIONS FOR INFORMATION CANADA CENTRES

1. HALIFAX

Location: 1683 Barrington Street, Johnson Building

Building Owner: Province of Nova Scotia

Square Footage: 6,372; Rate: $6.00; Total per annum: $38,232.

Lease Duration: 5 years—June 1, 1972 to May 31, 1977

Date of T.B. Approval: June 8, 1972

Occupancy Alterations Costs: $115,064

Maintenance and Operating Costs: $10,513 chargeable to vote 10

Vote: Vote 10

2. MONTREAL

Location: Bookstore—Ground floor, Shell Towers, St. Catherine/University Sts. Enquiry Centre—8th floor, Shell Towers, 1255 University St.

Building Owner: West Crown Holdings Ltd., 1255 University St.

Square Footage:

Store:	8,276	Rate: $25.00	Total per annum:	$206,900
Enquiry Centre:	2,756	Rate: $ 8.10	Total per annum:	$ 22,323
Total	11,032			$229,223

Duration of Lease: 10 years—November 1, 1971 to October 30, 1981

Date of T.B. Approval: NOT INCLUDED

Occupancy Alteration Costs: $250,000

Maintenance and Operating Costs: included in rent

Vote: vote 10

3. OTTAWA

Location: Bookstore—Ground floor, Vanguard Building, 171 Slater St. Enquiry Centre—12th floor, Vanguard Bldg., 171 Slater St.

Building Owner: 171 Slater Street Ltd., 1801 Woodward Drive, Ottawa

Square Footage:

Store:	5,381	Rate: $8.50	Total per annum:	$45,739
Storage	2,692	Rate: $2.10	Total per annum:	$ 5,653
Enquiry Centre:	6,050	Rate: $5.20	Total per annum:	$31,450
Total	14,123			$82,842

Lease Duration: 10 years—from May/June 1970

Date of T.B. Approval: NOT INCLUDED

Occupancy Alteration Costs: NOT INCLUDED

Maintenance and Operating Costs: included in rent

Vote: vote 10

4. TORONTO

Location: 221 Yonge Street

Building Owner: Adams Furniture Company Ltd., Toronto

Square Footage: 9,747; Rate: $8.84; Total per annum: $86,200.

Lease Duration: 5 years—from occupancy

Date of T.B. Approval: January 12, 1972

Occupancy Alterations Costs: $157,642

Maintenance and Operating Costs: included in rent

Vote: vote 10

5. VANCOUVER

Location: Corner of Robson and Granville

Building Owner: Murray Goldman Ltd.

Square Footage: 10,800; Rate: $11.11; Total per annum: $119,988.

Lease Duration: 5 years—from January 1972

Date of T.B. Approval: February 2, 1972

Occupancy Alteration Costs: $270,000

Maintenance and Operating Costs: included in rent

Vote: vote 10

6. WINNIPEG

Location: 391-393 Portage Ave.

Building Owner: Laporte Realty Ltd.

Square Footage:

Store:	5,040	Rate: $7.52	Total per annum:	$37,901
Storage (crude):	1,900	Rate: .53	Total per annum:	1,007
Storage (regular):	3,000	Rate: 2.00	Total per annum:	6,000

Lease Duration: 5 years—from occupancy

Date of T.B. Approval: 19/11/70

Occupancy Alteration Costs: $83,900

Maintenance and Operating Costs: included in rent

Vote: vote 10

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FIRST SESSION—TWENTY-NINTH PARLIAMENT

1973

THE SENATE OF CANADA

PROCEEDINGS

OF THE

STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

The Honourable HERBERT O. SPARROW, *Deputy Chairman*

Issue No. 6

WEDNESDAY, JUNE 13, 1973

Third and complete Proceedings on the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974

APPENDICES "A" and "B"

(Witnesses:—See Minutes of Proceedings)

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STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman;*

The Honourable Herbert O. Sparrow, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.	Langlois, L.
Carter, C. W.	*Manning, Ernest C.
Côté, Jean-Pierre	*Martin, Paul
Croll, David A.	(*Ex officio*)
Desruisseaux, P.	Paterson, N. M.
Everett, Douglas D.	Phillips, O. H.
*Flynn, Jacques	Prowse, J. Harper
(*Ex officio*)	Rowe, F. W.
Giguère Louis de G.	Sparrow, Herbert O.
Grosart, Allister	Welch, Frank C.
Laird	Yuzyk, Paul

(Quorum 5)

**Ex officio Member*

Orders of Reference

Extract from the Minutes of Proceedings of the Senate of Wednesday, February 21, 1973:

"With leave of the Senate,

The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending the 31st March, 1974, in advance of bills based upon the said Estimates reaching the Senate.

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier
Clerk of the Senate

Extract from the Minutes of Proceedings of the Senate of Thursday, March 15, 1973:

The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination and consideration of such legislation and other matters as may be referred to it.

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier
Clerk of the Senate

Minutes of Proceedings

Wednesday, June 13, 1973.

Pursuant to adjournment and notice the Standing Senate Committee on National Finance met this day at 9.35 a.m. to further consideration of the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974.

Present: The Honourable Senators Everett (*Chairman*); Carter, Desruisseaux, Langlois, Prowse, Rowe, Welch and Yuzyk. (8)

In attendance: Mr. G. Cocks, Director of Research.

Witnesses:

From the Department of Labour:

Mr. John McLeod, Representative from the Public Relations Branch.

Also heard as witnesses:

Mr. Guy R. D'Avignon, Director General of Information Canada;
Mr. A. G. Trickey, Assistant Director General of Information Canada;
Mr. Claude Beauchamp, Director of Publishing of Information Canada;
Mr. J. C. Douglas, Director of Audio-Visual/Exposition, Information Canada;
Mr. Tom Ford, Director of Regional Operations, Information Canada;
Mr. David Monk, Director of Commissions, Information Canada;
Mrs. Claire Lachance, Executive Assistant to the Director General of Information Canada.

On motion of the Honourable Senator Yuzyk it was *agreed* to print as Appendix "A" answers to Creative Units within Information Canada for the period January 1 to May 31, 1973.

It was *agreed* to print as Appendix "B" numbers of Employees working by location as of May 20, 1973.

At 12.20 p.m. the Committee adjourned to 2.30 p.m.

At 2.40 p.m. the Committee resumed.

Present: The Honourable Senators Everett (*Chairman*); Carter, Desruisseaux, Giguère, Langlois, Martin, Phillips, Welch and Yuzyk. (9)

Present but not of the Committee: The Honourable Senator McLean.

In attendance: Mr. G. Cocks, Director of Research.

Witnesses from the Treasury Board:

The Honourable C. M. Drury, President;
Mr. B. A. MacDonald, Assistant Secretary, Program Branch;
Dr. D. G. Hartle, Deputy Secretary, Planning Branch.

At 4.25 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Gérard Lemire,
Clerk of the Committee.

The Standing Senate Committee on National Finance

Evidence

Ottawa, Wednesday, June 13, 1973.

The Standing Senate Committee on National Finance, to which was referred the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974, met this day at 9.30 a.m.

Senator Douglas D. Everett (*Chairman*) in the Chair.

The Chairman: Honourable senators, I propose to start without a quorum in view of the fact that so many committees are sitting today.

Senator Yuzyk: Members will be coming in and out, so I am in favour of proceeding.

The Chairman: We have with us Mr. John McLeod, from the Public Relations Branch, Department of Labour. I apologize to Mr. McLeod for the lack of representation, senators, but six committees are sitting here today and one is travelling, in addition to caucus meetings.

Mr. John McLeod, Public Relations Branch, Department of Labour: No apologies are necessary, Mr. Chairman.

The Chairman: Have you an opening statement, Mr. McLeod?

Mr. McLeod: Yes, I have an opening statement of approximately six minutes.

Mr. Chairman and honourable senators, speaking on behalf of the Public Relations Branch of the Department of Labour, I am grateful for the opportunity of reviewing our information program with you and discussing our working relationships with Information Canada. Although we consider our program to be, generally speaking, effective, we continually endeavour to improve it. We look to Information Canada for assistance in many instances. Our branch's mandate is stated in the Department of Labour Act. I have no intention of reading the entire act, but the first sentence of section 4 is worth noting. It reads as follows:

> With a view to the dissemination of accurate statistical and other information relating to the conditions of labour, the Minister shall collect, digest, and publish in suitable form statistical and other information relating to the conditions of labour . . .

It continues in this vein. Expressed in less formal language, our job is to inform the public, actually a rather special mix of publics, of departmental programs and to interpret government legislation, regulations and policies in the field of labour. Our public consists of those involved in the labour movement, leaders of industry and business, various levels of government, the academic community, particularly those concerned with industrial relations, and labour journalists. We also direct a considerable volume of information to students and the general public.

Another responsibility and a rather important one is to advise our departmental managers, with regard to the implications from a P.R. point of view, of departmental policies, programs and activities. Some of the information we issue is, frankly, promotional, urging action in the light of facts and common sense and endeavouring to encourage changes in attitudes. For example, we promote the right to bargain collectively, fair employment practices, fair wages and hours, accident prevention and good working conditions, continuing union-management consultation, equality of job opportunity, opportunities for women and job security. On the other hand, much of the information is in the form of raw data, research material and reference material for use by unions, employers, governments and academic groups.

All this calls for the production of a full range of information vehicles, periodicals such as the *Labour Gazette, La Gazette du Travail,* which was founded, incidentally, by Mackenzie King, panphlets and reports, films, sound-slide productions, TV-radio spots, exhibits and displays. We also buy space and time to carry our advertisements in the media. We issue hard-core news to the news media, to the tune of approximately 100 releases per year.

Two other information programs are worth mentioning. The National Industrial Relations Film Library, established by the department in 1970, houses more than 200 film titles and distributes through the National Film Board approximately 500 film prints per month, free of charge. Another project, directed to secondary schools, involves a series of articles—eight each year—for the past four years—which is published in *Today's Generation.* This is a *Time* magazine-sized publication with a circulation of approximately 151,000 in Canadian high schools. There articles are designed to give students an insight into the world of work and to prepare them for it. Distribution of reprints of these, which we offer in class sets of 35, has amounted to some 500,000 copies. Short of a rather scientific attitudinal study, we really cannot determine the impact of this program on youngsters. I do not believe, however, that there is any question that as a result of this they understand a little more the field of labour and the bargaining process.

Other indications of the size of our information program can be gleaned from the fact that the department's printing bill alone approaches $400,000 each year. Over the next 12 months our exhibits and sound-slide and other audio-visual productions will appear at more than 30

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labour-management events, in 21 cities. Our information officers respond to approximately 500 queries per month, by mail and telephone.

We work with Information Canada in a number of areas. They distribute and market all our priced publications, design and built our exhibits and assist us in regional information projects. They guide us in all matters concerning the visible identity of the department vis-à-vis the federal identity program and respond to general inquiries from the public. They refer more specialized queries to us. They provide us with photographs for a variety of purposes from their photo library.

Mr. Chairman, in deference to your time I have kept this short, but I believe a summary of our estimates for 1973-74 has been distributed. I would be pleased to answer questions related to that summary and any other matters concerning our information program.

The Chairman: Mr. McLeod, on behalf of the committee, I thank you for a very clear statement. Are there any questions, honourable senators?

Senator Yuzyk: I do not happen to have the estimates before me, but could we be provided with information relating to your total budget for the year and a general breakdown of expenditures in the main fields?

Mr. McLeod: Yes. For 1973-74 our authorized strength is 46 man-years, involving $554,700 for salaries. For the production of information vehicles, by which I mean advertising, the project in *Today's Generation,* production of exhibits, displays, audio-visuals and the publication of the *Labour Gazette* we spent approximately $364,800. That is out of our Public Relations Branch estimates, but in addition to that there are some funds housed in the branch budgets, which amount to approximately $500,000, for advertising, publications and audio-visuals. This is in support of the various branch programs.

Senator Yuzyk: Has your budget increased annually?

Mr. McLeod: It has only slightly, senator, because of inflation and generally higher costs. In terms of man-years it has actually decreased somewhat. For instance, our strength in April, 1970 was 56 positions and today the figure is 46 positions. This is largely due to an internal departmental re-organization, which removed some distribution and in-house printing facilities which were formerly the responsibility of our branch.

Senator Yuzyk: Have these services now been taken over by Information Canada?

Mr. McLeod: Not really, senator. These are in-house facilities, Xeroxing, distribution of news releases and other internal publications that formerly were under our control. So it is largely an internal rearrangement, if you like, rather than the influence of Information Canada.

Senator Yuzyk: In the field of printing, which was formerly done by the Qeens's Printer and now has been taken over by Information Canada, has this resulted in any kind of savings for your department?

Senator Prowse: Or any change?

Mr. McLeod: Yes. Perhaps I can answer that question this way: Information Canada handles the marketing, the sale and distribution of all our publications that bear a price tag, and this amounts, in terms of money, to about one-fifth of our total publishing budget. Since Information Canada took over from the Queen's Printer, I must give them full credit for performing this function of marketing of publications with a good deal more professionalism and flair. I am not implying any criticism of those who were handling it before. We have Information Canada, to abdicate this function. There is no question that we would have to have people on our staff who could do it for us.

The Chairman: What did you do before Information Canada was in operation, vis-à-vis the distribution of priced publications? Was that done through the Queen's Printer?

Mr. McLeod: Yes. The Queens's Printer also had the publishing responsibility, which meant that they were not only the printer but also the marketers.

The Chairman: In effect, all priced publications have been distributed by others for you, in the past and now?

Mr. McLeod: Yes, that is so.

Senator Prowse: Are they selling more now than they did before? Are they getting a wider distribution?

Mr. McLeod: I do not have precise figures, but there is no question that the demand has crept up. They help us promote our publications. We work together very often in devising a—"campaign"is perhaps too strong a word—in devising a program. I do not think there is any question but that the demand has increased.

Senator Yuzyk: I should like to continue this line of questioning. There are several centres right across Canada which, prior to Information Canada, were not really accessible to the Department of Labour—is that not right? Does this help to bring you a little closer to the citizens of Canada from the point of view of at least distributing the information, and also in the volume, shall we say, of queries that come to the attention of your department?

Mr. McLeod: Yes. I think it is true to say that the number of queries that we are getting and the demand for our publications have increased since Information Canada began opening regional inquiry and book sales outlets. Yes.

Senator Yuzyk: In the promotional aspects, do you work out with Information Canada definite arrangements, say, in policies regarding distribution, dessemination of information, such as you have mentioned here, which are very important to the citizens of Canada?

Mr. McLeod: Yes. When a publication is proposed and Information Canada sees all our printing requisitions whether it is a priced publication or not, and we have views as to how and how much a publication should be promoted, we sit down with them and at that point we decide. In fact, the consultation is often done—here I am harking back to my experience with the Department of Energy, Mines and Resources, but I think it applies to most departments—before the publication is even out of the manuscript stage.

Senator Yuzyk: These arrangements, consultations, with Information Canada, are they done on an *ad hoc* basis, or do you have regular meetings with their officials?

Mr. McLeod: It is organized in one sense, in that Information Canada knows in advance what our publishing program is. But because there are so many variable and some publications deserve more and differing types of promotions than others, we consider the rather special publications and we approach Information Canada and discuss it with them. Not periodically, say, once every two months, it is not like that; but where we need their good advice, we seek it. Furthermore, on a more systematic basis, the council of information directors, which is chaired by the Director General of Information Canada, meets at least once a year, and I think even more often at times, and there is an advisory subcommittee made up of twelve information directors, Here again, the subject of publishing comes out and is discussed. Certainly from my point of view, there is a good deal of communication and rapport, and I feel that we are getting the full benefits and the skills they have to offer.

Senator Yuzyk: And it would be more efficient now than it had been before with the Queen's Printer? By "efficient," I mean at least you get faster action.

Mr. McLeod: Again, without implying criticism of the people who handled it before—some of them have come over to Information Canada—it is done a good deal more professionally. They know how to market, and we are very pleased at this and we take full advantage of it. Yes, I would have to say it is more efficient.

Senator Prowse: You get valuable assistance from Information Canada in your job of determining what to do, the extent of the run that you give a publication, and in the dissemination of various publications that you deal with—is that correct?

Mr. McLeod: Yes, indeed.

Senator Prowse: Are the press releases sent to the Press Gallery here, or are they sent to all newspapers, or down to all news desks? How is it done, or do you send them to a central broadcasting unit?

Mr. McLeod: It depends on the subject matter, senator. We release to the Press Gallery. Our distribution to the news media amounts to 265 copies. These go to the Parliamentary Press Gallery, as well as labour journalists across the country. There are approximately 70 of these. There is a rather select list of specialized writers who work in the media, the trade publishers, and so forth. We send to them. We also send to the Press Gallery, to the wire services, TV networks and so forth. This is generally the practice.

Senator Prowse: We recently had before us a representative of the Press Gallery who said that the stack of stuff that he received in releases was 13½ inches high. He said that the only way to dispose of them was to move them from here to down there. I am wondering what your experience has been in this connection. Where have you found the best use to be from your press releases?

Mr. McLeod: We do not issue a press release unless we are actually conveying some hard-core news.

Senator Prowse: Such as month-end figures?

Mr. McLeod: That is right. They are used to convey hard-core news or announcements. If there is no news value, we do not issue a release. The issuance of news releases is handled with restraint.

As far as the results are concerned, we feel, from the clipping service which we maintain in our department and the feed-back we get, that our material is being used. The trick, I think, is to target the release to the right person and to make sure that the release is justified in the first place. Otherwise, you lose credibility with the media and your releases will be thrown away.

Senator Prowse: Yes, I would agree with that. The advertising department, of course, deals with things much more positively than does the Press Gallery, I presume. In other words, nobody turns your ads down. How often do you advertise? Do you advertise in weeklies at all?

Mr. McLeod: By and large, our advertising program involves the daily newspapers in three areas and, on rare occasions, weeklies. The reason we do not use weeklies as much is that we try to get the most for our advertising dollar. Therefore, for each particular departmental program about which we decide to advertise, we consider very carefully what we are trying to say; we consider the target audience and then we decide, as scientifically as anybody can, the best vehicle to reach that audience. In our field there are not too many weeklies which would reach our particular mix of public—namely, the union, labour, industrial and management public.

Senator Prowse: You would reach those through business magazines, trade publications, union publications, and so forth.

Mr. McLeod: To reach the industrial public and industry managers, we use business magazines, *The Financial Post,* and so forth. I could cite a list of them. To reach the union and labour people we use those union publications which take advertising, and we also find radio and TV spots effective in reaching the labour movement. It just happens that the weeklies, with all due respect to them, are not the most effective vehicle for our particular public.

Senator Prowse: A good many weeklies are growing up in suburban areas now, but they are chiefly in rural areas.

Mr. McLeod: Yes, that is so. There are many suburban weeklies, of course, and metropolitan weeklies springing up as well.

Senator Prowse: Yes. Do you deal with special language groups?

Mr. McLeod: Yes, for some departmental programs. For instance, in connection with the fair employment practices program we urge the employers to employ disadvantages groups, minorities. The ethnic press is an effective vehicle in reaching those people. One of our advertisements in this connection was translated into 18 different languages.

Senator Prowse: Do you use advertising agencies to assist you in selecting advertisements, or do departmental personnel handle this?

Mr. McLeod: We do use an advertising agency, yes.

Senator Prowse: And what part do the agencies play in the selection of advertisements? Do they make the final decision?

Mr. McLeod: No. They serve us in recommending the vehicles we should use for our advertisements, and they consult very closely with the subject-matter specialists in our department. For example, they will draft suggested advertisement copy, and so forth, and present it to us. There then follows a good deal of dialogue back and forth, following which they may go back to their drawing boards and come up with something quite different.

Senator Prowse: Is your advertising copy designed by them or by departmental personnel?

Mr. McLeod: The art work is designed by the agency in the sense that it provides the first visual roughs. After the roughs have been discussed within the department, they will then make the changes we request and produce the final art work that will go to the newspapers or magazines in question.

Senator Prowse: Did the phrase," . . . do it now!" in connection with the Winter Works Program originate with an advertising agency or in your department?

Mr. McLeod: That was before my time, but I believe George Blackburn, the former Public Relations Director of the Department of Labour, thought that one up.

Senator Prowse: I remember that one because a bank teller went away for a week with a good deal of money and the bank manager explained that he had obviously seen one of those ads that week!

Mr. McLeod: The fact that we do use an advertising agency does not mean that good ideas do not surface from within the department.

Senator Prowse: There is an agency in Toronto which runs a wire service to newspapers and radio stations. Do you use such an agency?

Mr. McLeod: Do you mean, to convey news?

Senator Prowse: Yes. This is a service for which you pay, if you use it.

Mr. McLeod: We are aware of these services. There is also one in Montreal. The Department of Labour has not so far used these services. However, I can say that in my former department, the Department of Energy, Mines and Resources, when we were trying to make arrangements for a press conference in Montreal, or to disseminate news in the Quebec area, we used such a wire service a number of times with good results.

Senator Prowse: This was more effective than releases to the press gallery?

Mr. McLeod: It was very good in a regional sense, because they are wired right into most of the news media in the province of Quebec.

Senator Prowse: To what extent do you use press conferences, as opposed to press releases?

Mr. McLeod: If the department has a fairly important announcement to make—

Senator Prowse: This would be on a change in policy basis, I suppose?

Mr. McLeod: Yes. One would consider each departmental announcement by itself. If it is an announcement of an appointment or an award of money, or a decision on the part of a mediator, or something of that nature, we would probably use a press release. On the other hand, if it was a major change in policy in connection with a departmental program, it would probably warrant a full-blown press conference where the minister would table the legislation in the House of Commons, if it happened to involve legislation, where we would have some background material prepared in advance and where the minister would move across the street to the National Press Building where he would meet the press. Again, one has to use these things with restraint.

Senator Prowse: Yes, I understand that. Thank you, Mr. McLeod.

The Chairman: In looking at your budget, Mr. McLeod, I see there is a figure in connection with production of information vehicles, funded by the branches concerned in the total amount of $526,200. Is that in addition to the total expenditure of $1,093,400?

Mr. McLeod: Yes, it is.

The Chairman: Could you, then, tell me what is covered by this figure of $526,200?

Mr. McLeod: Yes, it covers, first of all, advertising in support of departmental or branch programs. I can give you some idea of what the advertising is like.

The Chairman: There is another item in the budget, $364,800, which is also for production of information vehicles. Perhaps if you could explain the difference between the two figures, because they are both under the heading of production of information vehicles, that would be helpful.

Mr. McLeod: Yes. The $364,800 consists of moneys that are administered by the Public Relations Branch. Here the advertising involves matters that are of concern, interest and benefit to more than one branch of the department. It might straddle the department at large. The same applies to these other items here. The displays and exhibits would be departmental in scope, the audio-visuals aids and so on, the *Labour Gazette*, which is departmental in scope. The information vehicles are funded by the branches. The advertising would deal specifically with a branch program, say, fair employment practices, labour standards, the women's bureau, and so forth.

The Chairman: Is this your particular method of presentation? Is this a departmental method of presentation, or is this a presentation that was required by Treasury Board?

Mr. McLeod: I am sorry, senator, but I do not understand.

The Chairman: What you have told me is that you have production of information where it straddles branches, and that totals $364,800.

Mr. McLeod: Yes.

The Chairman: Then you have production of information vehicles, where the specific amounts can be attributed to a specific branch of the department.

Mr. McLeod: Yes.

The Chairman: What I am asking is, is that the way you choose as a department to show your financial figures, or is that a requirement of Treasury Board that you show them in that particular way?

Mr. McLeod: I do not believe it is a requirement of Treasury Board, but we are doing it this way. It also gives the branch an element of control they need over their own funds.

The Chairman: All right. You talked about a film project in your initial statement, Mr. McLeod. Could you give us more information on that?

Mr. McLeod: Yes. You are referring, in effect, to the national industrial relations film library. This was established by the department to provide a central source of films. I am just picking out phrases from the document that established it. It provides a central source of films on all aspects of industrial relations, from collective bargaining and improving communications, through productivity and executive training. The library was formed as a result of approximately a year and a half of consultation with the Canadian Labour Congress, the Federation of National Trade Unions, the Canadian Manufacturers Association, and so on. The National Film Board administers the library for us and it handles distribution for us on a "no charge" basis. It is now in its fourth year. It contains multiple prints of rougly 150 English titles and 58 French titles. I think I indicated earlier that the National Film Board distributes approximately 500 prints per month for us.

The Chairman: That is, 500 prints of these movie films?

Mr. McLeod: That is right.

Senator Prowse: Is that on a loan basis, or do you actually give them the print?

Mr. McLeod: It is a loan.

Senator Prowse: And they return them?

Mr. McLeod: Yes.

The Chairman: Is that covered in you budget by the amount of $40,000 for the national film library?

Mr. McLeod: Yes, sir.

Senator Prowse: Who makes the films for you—Information Canada or the Film Board?

Mr. McLeod: Some of the films have been made by the National Film Board for our department. Other films have been made, I think, by other organizations—industry, labour and so forth. I am afraid I do not have the complete breakdown as to who sponsors them. We get them from any and all sources.

Senator Prowse: Any source that you think would provide something useful?

Mr. McLeod: Yes.

The Chairman: You stated, I believe that your information officers handle 500 inquiries per month, is that correct?

Mr. McLeod: Yes.

The Chairman: Where are those information officers located?

Mr. McLeod: They are located in our branch, in the departmental headquarters.

The Chairman: They are all at headquarters?

Mr. McLeod: Yes. We have no regional information officers.

The Chairman: Do you have any regional information offices?

Mr. McLeod: Not as such. We do have offices across the country. These are industrial relations offices, safety offices and so forth. I do not have detailed figures on the number of inquiries they get. They are really of a specialized nature, involving conditions of work, safety, industrial relations, accident prevention and so forth.

The Chairman: Taking the 500 inquiries per month, where do they come from? Perhaps you could give a brief description of the sort of inquiries you get and how they get to the information officers at the departmental headquarters?

Mr. McLeod: We get a great many queries coming to us directly from the general public and from students. I am talking about our branch, the information branch, as opposed to the specialized branches of the department. We get a great many queries from people who perhaps do not know the department well enough to go to the particular branch in question, and they will come to us. But these come from all walks of life. I am afraid I cannot be more specific than that, other than to say that of the 500 a month, I would think that students and the general public perhaps are the biggest source.

The Chairman: How many inquiries would the total department handle? Have you any rough idea?

Mr. McLeod: I have no specific figures, senator, but I think it would not be amiss to say that it is at least three times the amount received by the Public Relations Branch.

The Chairman: Would you have any idea how many inquiries are directed to you from Information Canada?

Mr. McLeod: Of the 500 a month, I would think at least 100 are referred to us from Information Canada, either by phone or by mail.

The Chairman: This is a matter of opinion and you may not be able to answer it. Is it your opinion that the average Canadian, having a problem that came within the scope of the Department of Labour, would think more of getting in touch with the Department of Labour or one of its branches, or with Information Canada?

Mr. McLeod: I am not sure I understand the question, senator.

The Chairman: As I say, it is purely a matter of opinion and you may have difficulty in answering it. From the

statistical information you have, in respect of the inquiries that the department receives, that is, the 1,500 inquiries a month, and the information as to the number that come from Information Canada, and just your own observations as somebody in the field, do you think that a Canadian requiring information from the Department of Labour would be more likely to get in touch with the Department of Labour, or would be more likely to go to an inquiry centre, or write Information Canada?

Mr. McLeod: Without implying any criticism of Information Canada, there is no question that in Ottawa he would get in touch with the Department of Labour. If he were aware that the Department of Labour had offices in his vicinity he would be more inclined, in my opinion, to go to those offices. The more specialized the question, the greater the likelihood that he would get in touch with the department here or one of its offices throughout the country. On the other hand, if he was not sure, I have no doubt that he would go to Information Canada.

The Chairman: But you think that if he had a specialized question he would go to the department, and for a more general query to Information Canada?

Mr. McLeod: Yes.

The Chairman: In the dissemination of information to the public, do you operate purely centrally or through regional offices?

Mr. McLeod: 99 per cent of it is handled centrally.

The Chairman: Could Information Canada be of assistance to you in the regional dissemination of information?

Mr. McLeod: Yes, we think they could; and, in fact, we are involved in a pilot study with Information Canada in Manitoba and Nova Scotia which is investigating precisely this question. I do not know what the outcome of the study will be but, speaking personally, it makes eminent sense that where a department does not maintain regional information offices it should avail itself of the facilities and the talents of Information Canada in a regional concept.

The Chairman: You said you are making a study?

Mr. McLeod: Yes, in Manitoba and Nova Scotia, sponsored by Information Canada.

The Chairman: Is this the mobile test?

Mr. McLeod: I am not sure if that is the right term.

The Chairman: Unless you have other specific comments to add, we will ask representatives of Information Canada.

Mr. McLeod: No, I have nothing to add.

The Chairman: Honourable senators, during the hearings on Growth, Employment and Price Stability we introduced a concept whereby the counsel and Director of Research could ask questions. That has been a custom of this committee. With your permission I would like from time to time during these hearings to call upon the Director of Research to ask questions. Is it agreed?

Hon. Senators: Agreed.

Senator Carter: I apologize, Mr. Chairman, for arriving late. I had to attend another committee meeting at 9 a.m.

The Chairman: Not all all, senator; we realize that six or eight committees are sitting today.

Senator Carter: I did not hear Mr. McLeod's opening statement and these questions may have been asked during my absence. If that is the case, please point it out. What impact has Information Canada had on your branch?

Mr. McLeod: To return to my previous comments, I do not think there is any question that in the public field Canada has had a considerable impact on the efficiency with which our publications are promoted, marketed and distributed.

Senator Carter: Has it enabled you to publish pamphlets and booklets that you would not otherwise have been in a position to issue?

Mr. McLeod: No, it has enabled us to market our priced publications much more effectively, Information Canada being the marketer. It has also increased the demand for some other publications, and there is no question that the number of queries we receive from the public has increased.

Senator Carter: How do you determine the type of information you should disseminate?

Mr. McLeod: This is determined in consultation with the specialized branches concerned and the impact of their programs on our particular public. We also consider the importance of communicating departmental programs and policies and interpreting them to the parties affected. The net result is that we work out an information program which helps us to disseminate the information which is needed by those who are affected and who will benefit by it.

Senator Carter: Is it aimed at the general public, or members of the labour movement in particular?

Mr. McLeod: We have a rather special public. It is a mix of publics, if you like, which involves employers, the labour movement, unions, various levels of government concerned with public matters, the members of the academic community who are particularly concerned with industrial relations and, of course, journalists who cover the labour scene. This is our special public, but in addition we disseminate information to students and secondary schools and a certain amount to the general public. For the most part, however, it is targeted to a rather special mix of publics.

Senator Carter: Is your principal aim to enlighten employers in particular and the general public in general as to labour legislation and its impact?

Mr. McLeod: Yes, it is to inform the public of departmental policies and programs and interpret policies, legislation and regulations in the field of labour, thereby generating understanding and, hopefully, support for some of the objectives of the department.

Senator Carter: The labour movement itself has a pretty good informational system. They issue a monthly publication and maintain a research department which carries

out many types of research. They also have a social research program and come forward with suggestions for social services, their expansion and so forth. What is your relationship to that? Are they telling their story and you telling yours, or is there liaison between the two? If they promulgate misinformation, do you have any obligation to correct it?

Mr. McLeod: Approximately 100 union and labour newsletters, magazines and journals are published. Their readership is largely their own members, and the information they convey serves their particular objectives. Similarly, industry and management have their publications serving them in order to further their aims and objectives. The Department of Labour, by means of its publications, fills the great void in between, providing impartial, objective information related to the entire labour scene. Here the *Labour Gazette* plays a very important role. No single publication covers the entire spectrum in a relatively detached and objective fashion.

Senator Carter: Do you think the labour publishers, the manufacturers and employers would agree that they are not objective in their reporting?

The Chairman: I think probably that what Mr. McLeod was trying to convey was the fact that they are perhaps a little narrower in their viewpoint than the Department of Labour might be, taking a more general view.

Senator Carter: A more objective approach to these things?

Senator Prowse: Not as selective an approach, perhaps.

Mr. McLeod: Their publications serve a very specific purpose. They are designed to further the objectives of their organization. They tell their story from a particular point of view, just as managers do on the other side. And more power to them. There is a great need, and I think the publishing program of our department is filling this need, for airing all points of view. The *Labour Gazette* does this in presenting relatively detached objective information and opinion on the whole labour scene.

Senator Carter: How wide a circulation does the *Labour Gazette* have?

Mr. McLeod: The circulation is around 5,000 in English and 3,000 in French.

Senator Carter: Which of your publications has the widest circulation?

Mr. McLeod: There are a number of publications distributed free of charge to employers and union members, such as *Teamwork in Industry*, which has a circulation of approximately 50,000. This publication tries to encourage consultation between management and union long before anything remotely resembling a strike situation develops. It is continuing consultation. It is called *Teamwork in Industry*.

There is another publication called *Safety Perspectives*, which is designed to encourage good safety practices in industry. That also goes to union and management. I think the circulation here is somewhat over 30,000. I am not sure, but it is quite large as publications go.

Senator Carter: You have a research department. You have liaison between the information division and your research division—is that so?

Mr. McLeod: Yes.

Senator Carter: Let us say that a long, hard, bitter strike takes place. The labour people will do their research on the effects of that strike and will put out their information as they see it. The employers will put out the other side of the story, what it has meant to the economy in terms of jobs and lost opportunities, lost wealth, and so forth. Where do you fit in in between these two? Do you conduct any research on the social effect of strikes and the net effect on the persons concerned?

Mr. McLeod: Yes. This falls within the purview of a branch of our department which is concerned with research of this nature. They would go into all sorts of things. But they are not part of the information branch.

Senator Carter: But you have access to it?

Mr. McLeod: Yes, we have access to it, and chances are that the information would be published in some form.

Senator Carter: How would you get it out to the public? Your Gazette has a circulation of only 5,000. The biggest one is 50,000, I think you said. You would want a much wider circulation than that if you wanted to educate the general public in the real effects of that strike on Canada and on the persons concerned.

Mr. McLeod: I do not want to imply that the research branch of our department—I am not really qualified to speak for them—would get into this as a special project, measuring the effects of a strike. I would have to consult with the director of that branch.

Senator Carter: Has he an information bureau of his own?

Mr. McLeod: No, he does not.

Senator Carter: He would have to come through you.

Mr. McLeod: His branch publishes a great many reports on working conditions, on wages and hours. A great many statistical reports are published through us and, if they are for sale, through Information Canada. This is the way the information would get out.

Senator Carter: I do not recall seeing what I would call an objective assessment of a long, hard strike. There is a general feeling that nobody wins, that everybody loses; but I have never seen it put down in black and white by anybody. I would think that if there is going to be one objective agency, the one agency that could do it objectively should be a government department, because it has no axe to grind for either labour or management.

Mr. McLeod: The department does issue information fairly frequently on the number of strikes, lost man hours, and so on.

Senator Carter: Yes, I know that. That is statistical information.

Mr. McLeod: Also on the economic impact. But I am afraid that I cannot answer that question, senator.

Senator Carter: Is anyone doing it?

Senator Prowse: If it is possible to do it.

The Chairman: Apparently there is no one doing it. You have made the point, senator. You have it on record. I think it is a good point.

Senator Carter: Apparently Information Canada has helped you most on the publishing end of your operation. Do you see any other services, that do not yet exist, whereby the information service can be of still greater benefit to you?

Mr. McLeod: Yes. I have suggested the possibility of Information Canada being able to help us in a regional sense. I think I have touched on that. There is another area, that concerning visiting groups in Ottawa. There are a great many student groups, club groups, service club groups, who come to Ottawa on a more or less organized basis, and who want to visit one or more departments in addition to the usual tourist-type tour. In the past month or so we have welcomed eight or nine student groups to our department, and we have arranged for them to visit other departments. We have a submission to Information Canada under way suggesting that they would be a good co-ordinating body for this sort of thing.

Also there are from time to time information projects that involve two, three or more government departments. It is possible that Information Canada could do more in the way of co-ordinating multi-departmental information projects. We have worked with them in several instances, such as exhibits that involved more than one government department. In the past, some advertising programs have involved more than one government department. In this type of area I would way Information Canada could be doing more.

The Chairman: Has Information Canada been effective in co-ordinating your work with other departments? I am talking beyond the display and exhibit function.

Mr. McLeod: The only multi-deparmental projects that come to mind that Information Canada co-ordinated are ones involving exhibits, and, in one or two instances, advertising. There is also a publication on federal services to business, which is put out by Information Canada and to which we have contributed. Certainly, in these areas I think the co-ordination has been effective.

The Chairman: Have you had any multi-departmental undertakings of an information nature concerning which you have not asked Information Canada to co-ordinate?

Mr. McLeod: Not since I have joined the Department of Labour, Mr. Chairman. I can hark back to my experience with the Department of Energy, Mines and Resources.

The Chairman: That would be useful.

Mr. McLeod: A number of announcements involving pipeline guidelines have involved the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development. In that instance we elected a chairman and this was co-ordinated by a member of the Department of Energy, Mines and Resources. Because this was a rather specialized area—

The Chairman: Do you think Information Canada could have done a better job in that case?

Mr. McLeod: I do not think so in that instance, because of the rather specialized nature of the field.

Senator Yuzyk: Labour is involved in all governmental departments. Surely, you must have some kind of thorny problems with some of the departments of government. There must be some problems, shall we say, with the Department of Agriculture, the Department of Industry, Trade and Commerce, or others, regarding labour relations, and also the information that has been released to which they may take exception? How do you work out what I will call thorny problems, on an interdepartmental basis?

Mr. McLeod: I should not like to say that they were necessarily thorny. There are projects which involve ourselves and the Department of Manpower and Immigration, and, perhaps, other departments. When such occasions arise, the information directors, either through the council of information directors, which is chaired by Information Canada, or on an *ad hoc* basis, communicate with each other. They see one another quite frequently and the rapport is very good. It is not unusual, for example, to find two departments getting together in a common cause.

Senator Prowse: Is that why every time you telephone someone they are at a meeting?

Mr. McLeod: I hope that does not apply in our case.

Senator Yuzyk: You anticipate certain conflicts from time to time and you have the ways and means of resolving some of them. Do you resolve these matters through Information Canada, or do you do it on your own initiative with the other departments?

Mr. McLeod: If it involves, say, one other department, the two of us would get together. "Conflict" is a bit too strong for me. It is usually the case of there being common objectives, and both departments are involved and each has something to contribute.

Senator Yuzyk: You mean you have never had a conflict with another department?

Mr. McLeod: I would not say that, but nothing terribly serious.

Senator Yuzyk: Nothing that was not resolved?

Mr. McLeod: That is right.

Senator Yuzyk: Thank you.

The Chairman: Mr. Cocks?

Mr. J. H. M. Cocks, Director of Research, Standing Senate Committee on National Finance: Mr. McLeod, I notice in your budget you have an amount of $30,000 for audio-visual. Would you elaborate on what is involved in that and how Information Canada helps in that area?

Mr. McLeod: Yes. The audio-visual program consists largely of slide-sound productions, film strips, and so forth, lasting five or six minutes. These productions are used in two ways. First of all, they are used in conjunction with exhibits. We have ten of them which are on the road most of the time. They try to encourage such things as union-management consultation and describe how the unions and management can set up a joint consultation

committee to effect a dialogue on a continuing basis. There are others which deal with equal pay for equal work, and others which encourage employment of minority groups who may be at a disadvantage.

Information Canada helps us in the design of these exhibits and, indeed, builds them. As far as the production slide-sound show is concerned, we draw from the photo library of Information Canada where we can. Otherwise some of the actual production is done in-house and some through the National Film Board. Very often we will bring it to a certain stage—the scripting and photography—within our own branch and then turn it over to the National Film Board, and it then falls within their terrain to put it together and sync the sound with the photographs, and so forth.

The Chairman: I have a supplementary to that. Do you feel Information Canada could do more in the audio-visual program?

Mr. McLeod: I feel we use them to the fullest when it comes to production of exhibits. I think it is a matter of resources in our case, since we have to fund these productions. We are certainly prepared to take full advantage of their skills.

The Chairman: Do you think more of the audio-visual skills should be concentrated within Information Canada?

Mr. McLeod: When it comes to exhibits and displays, we feel it is their terrain.

The Chairman: I gather you use them exclusively in those areas?

Mr. McLeod: Yes, pretty much. When it comes to other audio-visual productions, such as films, film strips, slide-sound productions, these really fall within the umbrella of the National Film Board Act and we are bound to go to them.

The Chairman: Mr. Cocks?

Mr. Cocks: One other question, Mr. McLeod. When it comes to a multi-governmental project, as you pointed out, Information Canada helps you in this area. What about advice and assistance in doing your own individual information projects? Do you turn to Information Canada for assistance in that area?

Mr. McLeod: Sometimes. Certainly when it comes to the federal identity program and the design of anything visible which involves the identity of the department. In that case we turn to Information Canada for assistance. Occasionally we have consulted them on matters regarding public attitude, where we knew that they were undertaking an attitudinal survey in some part of the country. We have benefited from some of the reports which resulted from such surveys. In one instance, respecting one or two publications of the Department of Energy, Mines and Resources, Information Canada undertook some audience research, and we found this quite helpful.

Mr. Cocks: Thank you, Mr. Chairman.

The Chairman: I have another supplementary arising out of Mr. Cocks' questioning. You have an item in your budget of $24,000 for contract writing, Mr. McLeod. It is my understanding that Information Canada has a stable—called, I believe, liaison personnel—of creative people. Would you ever think of using them for your contract writing?

Mr. McLeod: Most of the contract writing we undertake is of a rather specialized nature. These are articles which are commissioned by writers who are established in the labour scene and, as such, are specialists. A large part of that money is earmarked for a history of the department which, in essence, will be a textbook in the field of industrial relations.

To answer your question more specifically, Mr. Chairman, we have not thought in terms of Information Canada people for these rather specialized things.

The Chairman: Were you aware that Information Canada had a group of creative writers?

Mr. McLeod: Yes.

The Chairman: Do you know anything about these creative writers?

Mr. McLeod: I have not had very much direct experience with them, Mr. Chairman.

Senator Carter: Thank you, Mr. Chairman. I think you introduced the question I was about to ask. We are spending a little more than a million dollars on the information in your branch, Mr. McLeod. It is not a tremendous sum, as things go today, but I am concerned about what priorities you have in information, and what kind of information is going out with the limits available. You talk of creative writing. What do you do by way of creative reporting and study of good labour relations in other countries?

For example, I read the other day about a firm in the United States which for thirty years never had strikes; there were wonderful labour relations for thirty years without one strike. That is quite a story. I suppose that is not a story by today's standards, because it is so good.

Senator Prowse: It may be they own their own union.

Senator Carter: I do not know. Take the British civil service. They have developed this mechanism of voluntary arbitration to a very high degree, and they minimize their strikes in the civil service considerably. Recently, the Prince Edward Island legislature passed a very forward-looking piece of legislation, the Civil Service Act, embodying voluntary arbitration in that. What is your department or division doing to get out these positive stories to the Canadian public and to the people most concerned?

Mr. McLeod: Senator, if you looked at the last twelve issues of the *Labour Gazette*, which is issued monthly, you would find articles touching on most of these things at one time or another.

Senator Rowe: To whom is the *Labour Gazette* circulated; how is it circulated; and what is the extent of circulation?

The Chairman: I think that question was asked and answered, Senator Rowe. If you like, we will get it again.

Senator Rowe: I am sorry, I was not here. If it not too much trouble . . .

The Chairman: Not at all.

Senator Carter: Before you answer that, I would like Mr. McLeod to give us some chapters and verse on this type of reporting in the *Gazette*. I would like to go back and read some of these articles. I do not get a chance to read the *Gazette* as fully as I should—I am not able to handle the volume of reading that I would like to do—but I glance through it.

The Chairman: Perhaps I could ask Mr. McLeod, on your behalf, to submit a list of references to the *Gazette* that would answer that question.

Senator Carter: Yes, and then I could go to the library and pick them up.

The Chairman: He would even send you the copies of the *Gazette*, if you like.

Mr. McLeod: Yes, we will be very happy to do that.

Senator Yuzyk: Still regarding the *Gazette*, as a supplementary question, could you give us information as to the articles that are reprinted sometimes in other magazines and papers?

Mr. McLeod: Yes, indeed.

The Chairman: How far back do you want to go, senator?

Senator Yuzyk: Say, one year, to get some idea of the influence of the *Gazette*, because the circulation is really small but the influence might be much greater, and maybe should be greater, and perhaps this is where Information Canada can come into the picture.

The Chairman: Very well, senator. I will ask Mr. McLeod to provide you with a list of articles from the *Gazette* of the last year that have been reprinted, and where they have been reprinted.

Senator Carter: I think it is an important point, because for this type of positive information a 5,000 circulation is not very good.

The Chairman: Fine. We will get that information, senator. Thank you for raising the point. Now, Senator Rowe's question.

Senator Rowe: It may be that the reply would be in the *Proceedings* of the committee.

The Chairman: We are happy to give it to you again.

Mr. McLeod: The circulation of the *Labour Gazette* amounts to some 5,000 copies in English and 3,000 in French. The circulation would go to key figures in the labour movement, employers and managers in industry concerned with labour relations; also to the academic community, particularly people concerned with industrial relations. It is a special mix of readership.

Senator Prowse: And to trade magazines?

Mr. McLeod: Some copies go on an exchange basis to other periodicals on the business-labour scene. Copies also go to labour journalists across the country.

Senator Rowe: Would copies automatically be sent to legislatures?

Mr. McLeod: There is a free distribution list. I cannot answer your question specifically. It goes to anyone in government who is concerned with labour relations.

The Chairman: Are there any further questions, senators?

Mr. McLeod, you have done a great deal of work in preparation for these hearings, and it is quite likely we have missed a number of questions that you had anticipated. Is there anything of a fairly major nature that you feel we did not cover and that you would like to see on the record?

Senator Prowse: That sounds like a Watergate invitation.

Mr. McLeod: No, I have no Watergate type of information.

Senator Yuzyk: Do not frighten the witness, now.

Mr. McLeod: The only comment I have is that I am delighted to have this opportunity to appear before this committee, and I will certainly be happy to provide the information that you have requested.

The Chairman: Mr. McLeod, on behalf of the committee, we would like to thank you very much for the work you have done and for the testimony you have given.

Mr. McLeod: Thank you.

The Chairman: Honourable senators, we will now call upon the representatives of Information Canada, Mr. D'Avignon and Mr. Trickey, and anyone they may have along with them.

Mr. D'Avignon, perhaps you would like to introduce to the members of the committee the members of your staff who accompany you.

Mr. G. R. D'Avignon, Director General, Information Canada: Mr. Chairman and honourable senators, in addition to Mr. A. G. Trickey, the Assistant Director General, there is Mr. Ford, the Director of Regional Offices, and Mr. J. Creighton Douglas, Director of Expositions. Both Mr. Beauchamp and Mr. Monk are away on business. My executive assistant, Mrs. Lachance, will supply any information that is needed.

The Chairman: Do you have an opening statement, Mr. D'Avignon?

Mr. D'Avignon: No, Mr. Chairman.

The Chairman: Do you have any information to file with the committee?

Mr. D'Avignon: Mr. Chairman, I think you requested a list of recent activities of our creative unit. I have this list. It runs from January 1 to May 31, 1973. I must apologize that it is in English only.

The Chairman: Thank you. If we print it as an appendix to today's proceedings it will be printed in both English and French. Is that agreed, honourable senators?

Hon. Senators: Agreed.

The Chairman: Have you any further information?

Mr. D'Avignon: It is lack of information that I would like to report. Senator Molson asked for the total cost of

information in government. Mr. Trickey spent a great deal of time trying to locate this information in the blue book, but it is impossible for Information Canada to give this. We just could not identify the cost of information in many departments. We have been in touch with the Treasury Board. I believe they are appearing before this committee this afternoon. They are probably the only people who could give this information. The blue book does not identify information as a separate item, for a lot of departments.

The Chairman: I did notice, just in passing, that when we heard from Mr. McLeod they were able to give us a fairly comprehensive budget of the expenses of the Department of Labour on information services, so I expect it is likely that most departments could do that.

Mr. D'Avignon: I am sure that if this information was requested of the Board by this committee on an individual department basis, it could be supplied.

The Chairman: Do you have some information for us, or were you saying that it is just too incomplete?

Mr. D'Avignon: It is too incomplete to even report. I would say that approximately 60 or 70 per cent of the departments do not show information as a separate item.

Mr. A. G. Trickey, Assistant Director General, Information Canada: If I may add, Mr. D'Avignon, I was able to identify nine departments, one being the Library of Parliament, the whole budget for which I treated as information. That is 138 positions and $1.009 million. In only nine out of 42 or 43 departments was I able to identify an item of public relations or information service in the activities displayed in the blue book. The others are combined in other activities or included in the total administration activity of the department and not displayed in the blue book at all.

Senator Prowse: How could you classify an activity such as the National Library as opposed to the Library of Parliament or the Art Gallery?

The Chairman: Senator Molson's question related to the total cost of the information services of government. Perhaps the question would be better posed to the Treasury Board officials.

Mr. Trickey: I spoke with one of the deputy secretaries of the Treasury Board this morning and he asked me to mention that they could obtain this information. However, it would require a reasonably detailed study and some time in order to compile it completely. He will be present this afternoon.

Senator Carter: Perhaps, Mr. Chairman, in view of the fact that only nine out of 42 or 43 information departments can be identified, it would be helpful to have the average of the nine.

Mr. Trickey: Mr. Chairman, this would not provide the type of statistics which you seek. For instance, in my judgment the total activity of travel marketing carried out by the Department of Industry, Trade and Commerce should be excluded. Whether or not this is valid I am not prepared to say, but I suggest that if they market travel, in other words, encourage people to travel to Canada, they must be issuing a great deal of information relating to and promoting the country. Approximately 310 positions and $17 million are involved. On the other hand, the Department of External Affairs has a section active in public relations in cultural affairs involving 341 positions and $9 million. Is it valid to consider this as part of the informaion service provided by Canada? I am not prepared to say and, in my opinion, we really require, and I suggest Treasury Board may require, a little better definition of the meaning of information services or information and its cost. Mr. Ford can bear me out that this was one of the major problems encountered by the task force on information in their whole study.

Mr. E. T. Ford, Director of Regional Operations, Information Canada: Mr. Chairman, yes, one of the real difficulties was the identification or definition of information. Four years ago the task force arrived at an estimate ranging from $60 million to $100 million per year. This, however, depends on definitions of various items. For instance, is Statistics Canada an information service? We concluded that a large part of it is, so it was included in the $100 million. The $60 million-figure consisted more of information services and hard-core advertising in public relations.

The Chairman: I suppose the figure we are seeking is that which would come under the heading, generally, in the financial statement of a public corporation of "public affairs"?

Mr. Ford: That is right.

The Chairman: In other words, we would not consider Information Canada, which is a statistical department, a public affairs department. It would be the public affairs branches of departments, which you say amount to approximately $60 million?

Mr. Ford: Yes.

The Chairman: That was how long ago?

Mr. Ford: Four years ago.

The Chairman: If that is agreeable, honourable senators, we will pose the question to the Treasury Board officials this afternoon.

Hon. Senators: Agreed.

Senator Carter: Would the witness spell out his definition in a little more detail so that we will have some idea ourselves of the items he considers should be included in a purely informational budget?

Mr. Ford: Yes. Mr. Chairman, in the $60 million figure we included the cost of information services in the various departments. The activities in those services ranged from advertising, public relations, a publications program and the normal type of activity, as the chairman said, that would be carried out in a corporation by a public affairs department. It can range upwards, as Mr. Trickey said. For instance, the scientific publications program, which may not have been included in the cost of the information service, is a type of information, as are library services and a number of other items which are very hard to identify. It depends on the definition.

Senator Rowe: Mr. Chairman, I regret I suffer from the disadvantage of not having been here earlier this morning. I am interested in Senator Carter's statement that we have been able to identify nine information agencies—in nine departments of government, I presume. My recollec-

tion is that last week a witness stated that all 39 departments of government have an information agency.

The Chairman: That is correct, senator.

Senator Rowe: How can we reconcile those figures?

The Chairman: The task has proved to be too great for Information Canada to cope with. They have been able to obtain the figures for the nine departments but have difficulty in collecting the information and determining the correct definition of information. They have suggested, senator, that we make this request of the Treasury Board officials, and for the time being I am inclined to agree that Treasury Board can probably supply that information more easily and, at this point, more accurately than can Information Canada. Is that the position?

Mr. D'Avignon: That is correct. Senator Rowe's comment is perfectly right. All departments do maintain an information capability, but we cannot identify it in the estimates book. It could be lumped in with other expenditures. Treasury Board, who publish this book, might be able to identify it. Mr. Trickey mentioned the Department of External Affairs. We cannot break down the proportions of those funds devoted to culture and to information. Any information that we might give you would be interpretive rather than factual.

Senator Rowe: I presume we would not be dealing at all with the information agencies of crown corporations—they would not come into the picture?

Mr. D'Avignon: Mr. Chairman, in our estimate we did not take this into account.

The Chairman: I think it is likely that we would not take that into account. That would involve Air Canada and CNR. I suppose it could be a subsidiary piece of information.

Senator Prowse: Even they become a possible charge on the public purse if we end up having to pay a debt.

The Chairman: That is correct.

Senator Yuzyk: Has Treasury Board been informed of our request?

The Chairman: No, they have not been informed.

Senator Yuzyk: Then they will not be in a position to supply us the information this afternoon.

The Chairman: Apparently they were informed by Information Canada this morning.

Senator Yuzyk: They will not have had very much time.

Mr. D'Avignon: I do not think it is a job that they can do quickly, anyway. They will have to go back to the departments.

In answer to a previous question on the determination of how the languages would be used, both in the same volume or a different volume, there is no regulation. Departments determine at the time of publication how this will be done; and what criteria they use, I do not know. This is done on an individual departmental basis for each publication.

Another item that was requested was the breakdown of employees, by location. There were some changes to this this morning. I cannot submit this by department, but I might mention some figures. This is as of May 20. There are 438 in the National Capital—416 in Ottawa and 22 in Hull. There are another 31 in our regional office in Ottawa, 17 in Toronto, 20 in Montreal, 14 in Halifax, one in New Brunswick, 15 in Winnipeg, 15 in Vancouver, one in Newfoundland, one in Saskatchewan, one in Alberta, five in Paris, and two in London. These are people actually working, not necessarily the number of positions.

Senator Carter: How do you explain the one in New Brunswick and the 15 in Halifax?

Mr. D'Avignon: We do not yet have an office in New Brunswick, senator, and the man there is looking at the possibility of opening a regional office in New Brunswick. It is the same in Newfoundland, Saskatchewan and Alberta. They are advance men, to look at the possibility of where we should establish ourselves, what sort of operation we should have. We shall be making a report to Mr. Ford shortly.

The Chairman: Will you be filing that?

Mr. D'Avignon: Would you like me to file this information, once corrected?

The Chairman: Is it the wish of honourable senators that it be printed as an appendix to today's proceedings?

Senator Yuzyk: I will make a motion to that effect.

The Chairman: It will be Appendix "B".

(For text of document, see Appendix "B", pages 6 : 39 .)

Senator Prowse: Obviously you cannot put information officers in every town and village in the country. At the present time it would appear that the Prairies are covered by an office in Winnipeg. Assuming that Grande Prairie has a query, do they pay the phone bill, or do you take collect calls?

Mr. Ford: The person in Alberta is trying to ascertain the information needs of various groups—

Senator Prowse: You misunderstood me. I am talking about businessmen.

Mr. Ford: No.

Senator Prowse: A number of businesses have what is known as a "Z" telephone number, which I think is a flat rate line. In Toronto you can reach three million people with a free telephone call, but in Alberta, outside Calgary or Edmonton, there is a large number of people developing the Peace River country, and telephone calls tend to become fairly expensive, particularly if they have to call to Winnipeg in the day time. They do not have a direct dial number, and they have to go through the operator and wait until somebody is contacted. It would seem to me that you might be able to widen the service very usefully by use of the "Z" number, which could be publicized. People would know of it and they would put in a call. It would certainly bring your service to a great many Canadians who at present are not as well off as those in the cities.

Mr. Ford: We are now looking at two alternatives. One is the alternative which the Senate suggested, which is the zenith or watch system. The second is to set up community groups in some of these places which can act as a kind of information resource. People could conveniently call them. Perhaps in half of the cases we will supply them with information and the call might end there. We would then tie in these community groups to our central inquiry system. We do not want to overload our central system. We would like to keep as close to people as possible and keep our costs down. We could possibly arrive at the situation we would like by using community groups. By that I mean libraries or some other resources in the community to support and help them.

Senator Prowse: I did not have in mind that you would have a "Z" system right to Ottawa. You would end up with a very large switchboard. For example, if the only office is in Winnipeg, it seems to me that there should be a "Z" number to enable people to make contact with that office. If you get out into Saskatchewan and Alberta, there could be "Z" areas from then on.

Mr. Ford: I would like to get an office with about five persons in Alberta, an office with about four or five persons in Saskatchewan, and our Winnipeg office; and use these three offices to link in with groups within those provinces so that we would have some kind of network close to people which would provide information as effectively as possible.

Senator Carter: Are you thinking in terms of one office in each province that would centralize the information from the satellites in the province, so that they would feed their information to a central office in the province, and the central office would feed it to the central headquarters in Ottawa?

Mr. Ford: I would hope we would get a screening-out process as we go along. I do not think we should ignore these resources or try to compete with them. If we can set them up so that they can handle certain types of questions, my hope would be that in, say, Alberta, our office would be able to handle the bulk of them. If there is an offbeat question that we cannot answer, it would come to Ottawa for answering. The longer you transmit, the cost goes up and your information becomes less useful to people.

Senator Carter: We had witnesses before us the other day—I think Senator Hays was asking them questions—who told us that there is a regional information service available in the Department of Agriculture. The department has a regional information service for the Prairies. I was wondering if, instead of setting up a central office in a province, you might do it on a regional basis. You would have a wider selection. You would then have a better chance of computerizing your information in Ottawa. How far have you got with computerization?

Mr. Ford: Right now we are in the formating stage in two areas. One is the reference work that we have to do to answer questions. We have developed an integrated card system which gives us information on free and for-sale government publications, government programs and activities, and contacts in the government for further information. We are running in the cards now to make sure that the system operates properly before we put it on the big machine and get fouled up. So far it is going very well. It is still in the initial stages, but we are getting something out of it.

The second area we are looking at is the feed-back. Honourable senators may recall the other day the minister talking about a better statistical method of handling feed-back. We are putting forms into one of our offices now as a test to see whether we can get a better line on feed-back and really break it down into a coding system so that when a person calls we can say that it was about that department and we can give information about the program in that particular department and the activity in that particular department, so that the feed-back becomes more useful to the people who will perhaps deal with it.

Both of these activities, Mr. Chairman, lend themselves to computerization. However, we are running them manually now to make sure that we have our program set up properly so that we do not waste a lot of money in a computer program which does not work.

Senator Rowe: I am interested in the reference to Eastern Canada. You have an office in Halifax with a staff of 15, I believe, and something of that kind in some of the other provinces—New Brunswick and Newfoundland were mentioned. I have two or three questions which are all related.

Is it part of the policy of Information Canada, or government policy, to set up an office in each province?

Mr. Ford: Yes.

Senator Rowe: Is the Halifax office a prototype, so to speak? The Halifax office has a staff of 15. Is that so large because it is doing work for the Atlantic region, as opposed to just for the province of Nova Scotia, or is that going to be the standard sized office?

Mr. Ford: As Mr. McLeod mentioned, we have two special projects which we are running right at the moment. One is in Nova Scotia and the other in Manitoba.

To take Halifax as an example, the director meets with a regional committee of senator federal government officials, 15 of them in all, and they discuss the overview of information within Nova Scotia, what should be done with the department, what the departmental needs are. To help serve these departments and the public we have a number of vehicles. One is that we have six mobile officers in Nova Scotia who are working in the rural areas, largely. One is in the city of Halifax, helping to reach the people who are hard to reach within that city. We have an inquiry service backing up these mobile officers and we also have a bookshop in downtown Halifax. The role of a mobile officer, really, is to get out into the community and give us an idea as to what those communities want in the way of information and the best way to reach them with the information they require, so that they are in the same position, or as close to the same position, as the person in the urban area who says, "Yes, I have this information. Now I am in a good position to make a decision as to what I should do about my future." As I say, the program has been going on for some months now. We will be evaluating it in September and, on the basis of that evaluation, we will be able to determine our future a little better.

The Chairman: I wonder if I could ask a supplementary regarding this test program. These officers are in Nova Scotia and in Manitoba?

Mr. Ford: Yes.

The Chairman: And these officers are going around in an effort to find out what the public wants in the way of information?

Mr. Ford: Yes, that is correct.

The Chairman: Are they fulfilling any function, or is that purely and simply just a survey?

Mr. Ford: I apologize, I did not make myself clear, Mr. Chairman. They are fulfilling a function. The officers' first step is to try to ascertain the information needs of those areas; and, secondly, how one would get information to the people in those areas—at what kind of level. We are trying to adjust our information to the needs of the people in the regions. After that is done—and that has been done both in Nova Scotia and in Manitoba—we then start an information program. However, it is not based on what I, in Ottawa, happen to think the people of the Interlake region of Manitoba require. It is, hopefully, based more on what the people in that region would like to know about government programs and activities.

The Chairman: Is this part of the inquiry service?

Mr. Ford: It is an extension, I would say, Mr. Chairman.

The Chairman: In other words, it is not the dissemination of information as much as it is an inquiry function?

Mr. Ford: It is a responsive information service. That would be the best way I could define it, Mr. Chairman.

The Chairman: Then what are the mobile officers doing when they have completed their survey? How are they handling the responsive function at this point?

Mr. Ford: It varies from area to area. Let us take the person acting in Dauphin. She is writing a column for a number of the weekly newspapers up there. She has set up an arrangement with the local library board where they will handle some of the inquiries. We are setting up a kind of mini information service in Dauphin for the people there. She also works with various groups in Dauphin to bring in federal government speakers, if they are required; she is hooked into a number of local newsletters in that area; and she has done some work with radio stations in that area, assisting them in getting the kind of information they require in that area.

Now, one may ask: Why Dauphin? There are five federal government departments represented in Dauphin and area, none of which has ever had any information capability. We feel that this person is supplying this kind of useful service to the departments and to the public.

The Chairman: If a citizen of Dauphin wants information, what does he do?

Mr. Ford: He would then hook in—and we are trying to do this as best we can with a limited budget—to the library resource centre in Dauphin, and if they cannot handle it, they get in touch with the mobile officer. We try to get them the information.

The Chairman: Is Dauphin the only area in Manitoba being covered?

Mr. Ford: No, Mr. Chairman. We have officers in Thompson, Dauphin, and the Francophone community south of Winnipeg. We are in Selkirk, in the Interlake region and the Beauséjour area. It is astounding to me, Mr. Chairman, the kind of things that come out of the reports of these officers.

Mr. D'Avignon: Mr. Chairman, could I ask Mr. Ford to mention the languages that we use in Manitoba? I think this would be highly significant.

Mr. Ford: We have a capability in most of the first and second languages in Manitoba. We have capabilities, obviously, in English and French, and we get into German, Ukrainian, and some of the other languages that are used.

Senator Prowse: Icelandic?

Mr. Ford: I do not believe we have the capability in the Icelandic language.

The Chairman: They are just in the Selkirk area, not Gimli.

Do you intend to expand this mobile information office program?

Mr. Ford: What we would hope, Mr. Chairman, is that we would use this as a way of hooking these communities into our central inquiry service in Winnipeg and build up a rapport with those communities and the people in those communities where they could use our inquiry centre in Winnipeg. Primarily, the mobile officers are in these communities, to get things going and to make contacts. Perhaps they will have to go back in once in a while to ensure that everything is going well, but their main function, really, is to build up a rapport with our service.

The Chairman: So you see them there on a temporary basis?

Mr. Ford: Yes, in some cases. Our experience in this area is limited. We have been running it now for two and a half months. I am not sure what the outcome will be. There may be some communities where the structure is such that we will not be able to do without some kind of mobile officer. There may be communities, for example, where there just are not sufficient community resources to help the people who need to be helped.

The Chairman: Would you have one of the studies on a mobile officer respecting his performance?

Mr. Ford: I have a number of reports here, Mr. Chairman.

The Chairman: Would you file one of those reports?

Mr. Ford: Yes.

The Chairman: While the witness is looking for a report, perhaps you could ask your question, Senator Rowe.

Senator Rowe: I have two questions, Mr. Chairman.

The first question is: Are there any figures available as to the annual costs of the Halifax office?

My second question is: When you do get these provincial offices set up, I take it that the cost of Information

Canada is going to be very substantially increased. I take it that is a correct inference to draw?

The Chairman: Mr. D'Avignon?

Mr. D'Avignon: I will let Mr. Ford answer that. He has all the figures on the regional operations.

Mr. Ford: The hope, Mr. Chairman, is that by moving into the regions we can increase the effectiveness of the federal government's information apparatus, work with and use the resources of the departments in the field, and not necessarily add a whopping amount to the federal government's information budget.

Senator Rowe: Are you saying that this would mean some decentralization of some of the capabilities now based in Ottawa? Would some of that capability then go to Saint Johns or Fredericton, and so forth?

Mr. Ford: Yes. There are 700 persons, including support services, working in the information community in the federal government. Of that 700, about 66 are located in the regions. When the task force of Information Canada studied the problem, although the budget was $60 million and there were a number of people involved, it was found that large groups of people were not getting the information they required. Consequently, we had to look at the system of disseminating this information. It was our conclusion—and the departments have concluded as well—that one of the weaknesses of the information services is that we do not really have any kind of regional apparatus for information, and this is what we are trying to correct at this time.

The Chairman: I think Senator Rowe's question was: Would the increase in the regional input increase the cost of Information Canada; and, if so, by how much?

Mr. Ford: I was trying to come to that, Mr. Chairman.

The Chairman: Perhaps you would.

Mr. Ford: If we can make the regions more effective, then there may be decentralization and the cutting of cost in the Ottawa area. There may be, but it is really too early for me to tell at the present time.

The Chairman: Mr. Ford, that still does not answer the question as to whether or not there would be an increase in the overall cost of Information Canada as a result of the regional program.

Mr. Ford: There is no question, Mr. Chairman, that initially there would be an increase in the cost. We are putting more people in the field than we have at present. What I am trying to say is that if we can effect co-ordination within the regions, the total cost of information within the government services may come down.

Senator Rowe: You do not have the figures there for the Halifax office?

Mr. Ford: Yes. I am trying to get them.

The Chairman: Are there any other questions on this subject? Senator Yuzyk?

Senator Yuzyk: My question is regarding the remote regions of Canada. What are your plans regarding information services in the Northwest Territories at Yellowknife, and in the Yukon at Whitehorse?

Mr. Ford: Mr. Chairman, if I may, we are setting up a relationship with the information people who work at the present time in the Yukon and Northwest Territories. It did not seem to us that we should add to the number of federal public servants presently in the North, but we can help them to get their story to the South better than they have in the past. Secondly, we can give them the information about government programs that they want in the North. One of the problems here is isolation. There seem to be a number of people working down there in the information service and we probably should not add to that, but we could help them to do their job better, and this is the kind of relationship we would like to have. I wonder if that answers your question.

Senator Prowse: There is the cost of getting the information to these people.

The Chairman: Have you any further information to submit?

Mr. D'Avignon: Yes, I would like to add something to what Mr. Ford has given in reply to Senator Yuzyk. We have received a request for an authorized agency in the Northwest Territories, in Yellowknife, and it looks very much as if the government publications will be on sale there within a few months.

Senator Yuzyk: The population is increasing there and the economic activities that are planned make Yellowknife a very important centre.

Mr. D'Avignon: That is right.

The Chairman: Do you have any further information, Mr. D'Avignon?

Mr. Ford: Someone asked about the cost of the Halifax centre.

The Chairman: We will come to that in just a moment, thanks, Mr. Ford. Have you any further material that was requested, so that we could get that out of the way?

Mr. D'Avignon: No, I do not believe I have.

The Chairman: Now, perhaps we could ask Mr. Ford.

Mr. Ford: The Halifax inquiry service has an annual budget of $65,600; the bookshop has an annual budget of $40,600; and running the mobile project in Nova Scotia for a six-month period will cost an estimated $50,000.

Senator Prowse: That makes a total of $155,000.

Senator Rowe: May I ask a supplementary question? May we assume that that will be pretty well spent? That is, if it runs about $10,000 annually per person, roughly, if your Saint John office has eight persons, then the cost of operating would be approximately $80,000 a year. Would that be a fair assumption?

Senator Prowse: It includes expenses.

Mr. Ford: Honestly, it is a difficult question to answer, because right now we are in the development test phrase. We may find a better way of doing some of the things. We may find we do not need as many people; or we may find, on the contrary, that we need more. It is difficult to take

the Nova Scotia operation as a test and more or less compute it across the country. We will not know about this until we get the evaluation.

Senator Rowe: In other words, there is no real idea what these planned expansions are going to cost?

The Chairman: Perhaps it is a little difficult at this juncture, senator, for Information Canada to know what is precisely involved in the cost. I assume they are working on some sort of budget.

Mr. Ford: Yes.

Senator Prowse: May I ask a supplementary question? At the present time in Halifax this includes experimental work?

Mr. Ford: That is right.

Senator Prowse: Of your $155,000, that would include travelling expenses?

Mr. Ford: Yes.

Senator Prowse: Secondly, after you are through, you may find that you can use librarians on a part-time basis, or lower cost people?

Mr. Ford: Yes, that is correct.

Senator Prowse: In other words, this gives no indication at all what it is going to cost you to establish whatever you decide to establish?

Mr. Ford: That is very fair, senator.

Senator Welch: I am still not satisfied as to how you gather this information. For example, for your Halifax office, do you have people in the country travelling around Nova Scotia, or how do you gather the information which you get there in the Halifax office?

Mr. Ford: To gather the information to give out to the people?

Senator Welch: Yes. How do you do it?

Mr. Ford: Mr. Chairman, In Nova Scotia, in trying to find the information needs of Nova Scotia, we have done a survey of information needs there, and we did a similar one in Manitoba. Secondly, to follow that up, when the information officers, the mobile officers, go into an area, they talk to people like the mayor of the town, the usual kind of people you find in that kind of community, members of associations and members of Parliament. We work with members of Parliament because, obviously, they know the area probably better than most people there. We talk with individuals as well. From that, we begin to formulate what seem to be the priority information needs of that area. An area may have 28 needs and it would seem to us fruitless to try to contend with the 28, so we try to take the community view as to what would be the top five; and then we work with the communities and set up ways to inform them on those top five priorities. In most cases it is not a very mystical kind of information. It may be: What are the unemployment insurance benefits? What can the Manpower office really do for me? It is not a kind of classified thing. It is what people really want to know to take advantage of government programs which may be of some help to them. I wonder if that answers the question?

Senator Welch: Thank you.

The Chairman: I believe Mr. Ford is going to submit certain of the surveys to the committee, so we will have the information to look at there.

Mr. Ford: That is correct.

The Chairman: In respect to questions that were asked, there are certain items, and I will read them to you, Mr. D'Avignon.

Senator Yuzyk asked you to outline some of the main recommendations of the task force on information and give some idea of how these were carried out.

Mr. D'Avignon: Very good. At that time, I asked that that question be deferred until Mr. Ford could be here. He is here now and he will reply to that.

The Chairman: Would it take very long, Mr. Ford?

Mr. Ford: If I could use the numbers, Mr. Chairman, I could do it in about three minutes.

The Chairman: Fine.

Mr. Ford: Is that satisfactory? May I do it now, Mr. Chairman?

The Chairman: Please do.

Mr. Ford: Mr. Chairman, the government dealt with 17 major recommendations of the task force on information. If I may, I will simply use the numbers and you can refer back to the recommendations as set out in the task force report.

On No. 1, the rights of Canadians to full, objective and timely information, you may recall, Mr. Chairman, that the minister spoke to that subject the other day.

On No. 2, that a committee of ministers be charged with the task, that has been adopted and there is now a cabinet committee on a scientific approach to information.

No. 3 was dealt with by the minister the other day.

No. 4 deals with federal-provincial relations. An informal group of nine directors from the provinces and some from Ottawa has been established to meet annually to discuss mutual problems.

No. 5 relates to steps to be taken to reach substantial sections of the Canadian public that are at present outside the main stream of the government information flow. I suggest that this is one of the roles of the regional operations group.

No. 6 deals with communications research. Information Canada has carried out some communications research for the departments, at their request.

No. 7 deals with the relationships within departments in information fields. A number of departments have made changes in line with the task force's recommendations.

No. 8 deals with the Council of Directors of Public Affairs (formerly Information) Divisions which, as Mr. D'Avignon has pointed out, is now in operation.

No. 9 deals with the establishment of Information Canada; and that, of course, has been implemented.

No. 10 was not accepted by the government as a recommendation. It deals with Information Canada acting as a

public advocate in matters of access to federal information.

No. 11 deals with the personnel division within Information Canada providing advice and assistance to the Public Service Commission and Treasury Board in relation to information matters. This has been done and a whole new career service has been established for information offices in Ottawa.

No. 12 relates to regional operations which, of course, has been implemented.

No. 13 recommends an independent board to be established consisting of leading advertisers to study advertising programs. That has not been done.

No. 14 is in connection with information programs abroad. The Department of External Affairs has made substantial changes in its information services abroad.

Recommendations Nos. 15, 16 and 17 are simply housekeeping arrangements with respect to the establishment of Information Canada.

Senator Carter: The government rejected two; you only cited one.

Mr. Ford: That is right, Mr. Chairman; the other was the financing of a citizens' advisory bureau, which they asked us to consider more thoroughly.

The Chairman: Another item was the total number of personnel in the 39 information departments—that is, information officers plus personnel buttressing the information officers. Is that a matter for Treasury Board?

Mr. D'Avignon: Yes.

The Chairman: The next question was from Senator Carter: Does Information Canada carry out promotional work to ensure that the public knows of the books and reports which are available?

Mr. D'Avignon: I have asked Mr. Ford to prepare an answer to that, Mr. Chairman.

The Chairman: It is basically the publicizing of the titles.

Mr. Ford: Yes, Mr. Chairman. Basically, we have an advertising program which attempts to indicate, through various selected media, the publications and books available from Information Canada. One problem is that our budget for advertising is not very large, as the figures recently given to you would indicate. Given the size of our operation, the budget is small and, consequently, we cannot advertise as much as we would like.

A second part of the program is daily check lists which are distributed to a number of people and, as was described to you, the desired books can be ordered from that list.

The third part is an information bulletin prepared by the reference services of Information Canada which lists new free publications issued by the government, new appointments in the federal and provincial services, and new programs which have been announced in the federal Public Service.

Senator Carter: Mr. Chairman, there is a rather minor supplementary to that, which takes the form of asking Information Canada what promotional work they carry out to inform the Canadian public of the available material. Many among the public are still not aware that they can obtain information from Information Canada.

Mr. Ford: Mr. Chairman, as I think was indicated to you previously, our problem has been that when we open a new centre we must endeavour not to overload it with work and consequently not do a very good job for anyone. Without very much advertising, our resources have been strained and it did not seem feasible to advertise and simply do less for all. The senator, I think, can understand that. This is one of the reasons we have been hesitant to use advertising, particularly in connection with the inquiries service.

Senator Prowse: You get all you can handle now?

Mr. Ford: That is right.

Senator Welch: What types of groups seek the information? Are they individuals, companies, labour groups?

Mr. Ford: Basically, in our bookshops it is the whitecollar segment of the community, businessmen and professionals, who wish to know about certain government reports or acts of Parliament. In the inquiries service it ranges right across the board. We were worried that we would be overloaded by students, but this has not happened. The inquiries come from many walks of life. I know that we do not reach the public in r-ral or isolated areas. For this reason we send officers into the field to make contact with these groups. At present, the inquiries are largely from urban centres.

Senator Rowe: You mentioned a period of six months earlier. Is that seasonal?

Mr. Ford: Yes, it is on test, Mr. Chairman. It is in the process for six months, and the test will be completed in September.

The Chairman: Are these mobile personnel strictly confined to the inquiry function, or do they have anything to do with information-out?

Mr. Ford: Yes, they have a great deal to do with information-out. The whole basis is to find out what they need, and then work to supply information-out. It is a different approach from that which has been used traditionally sometimes in public relations programs. We are starting with the people and moving the information process back to them so that it is useful, which is one of our key words, in a form which is understandable and convenient to them. These are the three criteria we set down for our information program.

The Chairman: So the inquiry function is just a small part of the mobile test function?

Mr. Ford: That is right. We try to establish areas within the communities which can handle the usual type of inquiry. We back them up, but we avoid having the mobile officer engage in too much inquiry work, although it varies from region to region.

The Chairman: The minister has stated that he would want Information Canada to take over the regional information capacity of the various departments. Is this a consideration in the mobile test function?

Mr. Ford: We are considering that, Mr. Chairman, in dealing with the committees of senior federal government servants in Nova Scotia and Manitoba to see if this would be a useful type of liaison for them so that we can discuss their mutual problems. In this way we attempt to effect co-ordination in the regions.

Senator Carter: When these mobile units are out in the field, how do they contact you? Is it by telephone?

Mr. Ford: No, they contact the central office, in Halifax, Winnipeg or Edmonton.

Senator Carter: Is it by telephone?

Mr. Ford: Yes, or they write—whatever seems to be the appropriate way of doing it.

Senator Carter: Mr. D'Avignon replied to Senator Yuzyk regarding service in remote areas. He did not mention Labrador, which is a very remote area and cannot be serviced from St. John's.

Mr. D'Avignon: At the moment this is certainly not one of our priorities. We are endeavouring to achieve the most effective results from the funds we have to spend. There will certainly be a program for Labrador, but at the moment there is nothing.

Mr. Ford: I might say, Mr. Chairman, that we are looking at Memorial University and the Newfoundland Libraries Board, which have some programs which may be useful to the federal government in Labrador. Mr. D'Avignon is correct, we do not have the funding to put a man in Labrador, but perhaps there are other vehicles that we could use to get information to people in that area.

Senator Carter: You do not seem to realize that the situation in Labrador is more serious than it is in the province of Newfoundland, because they are isolated—that is their main complaint—they are isolated from Ottawa.

Mr. Ford: Mr. Chairman, we did eight reports on communities and their information problems in the summer of 1971. One of the reports was on Labrador. The point made in that report was the same as the senator is making, that they are terribly cut off from information; and certainly, on the basis of that report, we will try to serve them within the limitations of our budget.

The Chairman: We have one more request for a document. It was from Senator Grosart, who asked if there was a document which described the rationale for setting up an exposition bureau.

Mr. D'Avignon: Mr. Creighton Douglas is here. I do not believe there is a document, but he might speak to this subject.

Mr. J. Creighton Douglas, Director of Expositions, Information Canada: Mr. Chairman, I am not sure exactly which report was being referred to. There have been a number of reports. The earliest that I can lay my hands on was in January 1959, by the Management and Analysis Division of the Public Service Commission. Also in November 1963, and again in July 1968, on the transfer to Public Works. Finally, by the Bureau of Management Consulting Services in August 1970, on the transfer to Information Canada. I think that perhaps what is most significant is the 1963 study, which at that time I believe—I am new to Ottawa, so I must excuse myself if I do not know the complete history—indicated that the economies of scale were the primary consideration that they saw for consolidated operations. At that time they estimated at least 15 per cent, and in many cases nearer 50 per cent, as the economies to be achieved.

In addition to the economies of scale, which we believe are significant because departments do not have to duplicate facilities and the staff do everything themselves, we also bring into the field the area of expertise, where, by maintaining experts, we can do things more efficiently: we can encourage maintenance of design standards for Canadian presentations at home and abroad; present a consistent Canadian image; co-ordinate the efforts of other departments; wherever possible, ensure a maximum of Canadian content in the exhibition; and also try to encourage standardized contracting procedures. Does that answer the question?

The Chairman: Thank you very much, sir.

Senator Carter: Coming back to the question that was asked earlier, I think by Senator Prowse, about using other agencies, I think he referred to using library personnel as part-time workers in your information service. What is your relationship with the Film Board? The Film Board has a decentralized service. They have a service in every province, I believe, and decentralized within the province. I know that in Newfoundland there is a centralized office. There is a service for St. John's, and I think they have a service branch in two or three other places in the province. Are you exploring the use of these agencies?

Mr. Ford: Yes, senator, we are. We have a good rapport with the National Film Board offices, where they exist, and where we have an office. We show their films. We handle some inquiries for them, and that kind of thing.

With respect to Newfoundland, we are looking at using the considerable audio-visual facilities and programs which they already have in that province to help us get information to people. For instance, it does not seem to us that we should duplicate the expertise or the equipment at Memorial. It does not seem to us that we should do the same job as the Newfoundland Libraries Board. Perhaps we can help them do their job better, and get more information to people in isolated areas than they receive at present.

Senator Carter: They could also collect their inquiries for you.

Mr. Ford: That is right; to help them do an information job which perhaps they have not been able to do because they have been cut off from any kind of resource that the federal government might offer them; supplying them with information or taking feedback back to the department on a certain program.

Senator Carter: Have you given any thought to having the National Film Board prepare a film on your information service?

Mr. Ford: Yes. That would be one way of doing it—and hook into those audio-visual facilities in Newfoundland and Labrador.

Mr. D'Avignon: Mr. Chairman, the Film Board has already produced a few films for us. Some are rather

exciting. There is one in particular called "*The Propaganda Message*," which has been shown across the country. I would be very pleased to invite all senators to view it.

Senator Carter: Did you approve the title?

Mr. D'Avignon: It is humorous. It has been well received all over Canada. It won an award in New York and Germany, and is an extremely good film.

Senator Carter: It might be worthwhile our seeing it.

Mr. D'Avignon: We could arrange it.

The Chairman: We will see what the committee's desire is. Have you any statistics that are reasonably up to date regarding the inquiry function and which could be filed with the committee? For the purposes of our report, I think we should have it.

Mr. D'Avignon: By region?

The Chairman: I suppose by region would be useful, if you happen to have it. We would like as much as possible in the way of statistics. We should have as many statistics as possible on the mobile test program in order that we might have a better understanding of it.

Mr. D'Avignon: That will be supplied to the clerk.

Senator Carter: Is that information to be supplied later or answered now?

The Chairman: I think probably later, because it is fairly detailed information, we shall require it for the purposes of writing our report. We will distribute copies to senators, if they so wish, as soon as it arrives.

Senator Carter: My question was related to that. I remember, when Information Canada was set up, that after a month or two we received a special monthly report showing that so many telephone calls and letters were answered, so much was sent in and so much sent out. There was a whole list of material on things that you did. That came out for several months, probably for six months, and then it disappeared, it stopped. When I was reading all this, the question came into my mind: How can you be so accurate, to be able to state that you had 6,784 inquiries? How do you record this? Do you have a computer or some sort of mechanical device that keeps a record of these things, like a cash register? What is your method of acquiring these statistics? What is your method of collecting them?

Mr. Ford: For telephone surveys we simply use a lumberman's tally, one, two, three and cut, and at the end of the day we can tell how many telephone calls we have received and the type of questions which were being asked. When a letter comes in, a central clerk looks at it and decides what type of letter it is and does the statistical work at that time.

What we would like to do, as I mentioned previously, is to improve our statistical work so that we can pin down more precisely what kind of inquiry people have so we can be more useful to the departments in highlighting the problems in their information programs. That is the type of thing we are working on right now.

Senator Carter: I would like to know not only the bare quantity, but how much of this was really worthwhile asking for and sending out.

Mr. Ford: That is a good question. That is precisely why we should like to make our statistical work more precise than it has been in the past. The report to Parliament was mentioned earlier. The problem with that was that it came from two or three different centres and really was not representative of very much. We feel that with more centres across the country and with an improved method of collecting statistics, we would then get feed-back which is useful to the departments and to Parliament.

Senator Carter: Why did you discontinue this news sheet or monthly report which came out?

Mr. Ford: For that very reason. We did not feel that it was representative of the people of Canada as a whole. You would sometimes get 15 people, say, in Toronto making a complaint. Well, that does not mean much to the rest of Canada, and it did not seem useful to burden people with that kind of information.

Senator Carter: I should also like to know how the service has been regionally and by different provinces?

The Chairman: I think that is what the statistics, hopefully, will reveal.

Mr. D'Avignon: Mr. Chairman, Mr. Ford and his people have developed a form which is to be used to gather these statistics. Would you like us to file a copy of that form?

The Chairman: Yes. I should like to ask Mr. Ford whether he feels the public is beginning to look upon Information Canada as the source of information; and, if so, is that taking place particularly in the six centres where there are offices at the present time, or is it broader than that?

Mr. Ford: We are becoming better known in the large centres in which we are located. We have conducted some surveys in that regard. For instance, in Toronto we are better known than the Department of the Environment and rank very well with departments which have been in operation for some time. I think we will know more in September about how we are doing in terms of reaching the people in the rural areas. We are beginning the reach out to them now, and in September we will have some idea as to how that has worked out.

The Chairman: You have done survey work?

Mr. Ford: Yes.

The Chairman: And do you have copies of those surveys?

Mr. Ford: Yes.

The Chairman: Would you file those also?

Mr. Ford: Yes.

The Chairman: Is it the intention of Information Canada to open any more bookstores?

Mr. D'Avignon: We hope to have more authorized agents, Mr. Chairman.

The Chairman: I am referring specifically to bookstores such as you now have in the six centres in which you are located.

Mr. D'Avignon: Not at the moment. Our plans for the coming year do not foresee the opening of any new bookstores.

Senator Prowse: You have authorized agents who carry your books?

Mr. D'Avignon: That is right.

The Chairman: And that is on a 40 per cent commission basis?

Mr. D'Avignon: An authorized agent is on a 46 per cent commission basis. Any book dealer in Canada can purchase and resell our books without being obliged to deal in any large quantities. He can buy them by the unit, if he wishes, and he is on a 40 per cent commission basis.

The Chairman: Is the policy of having authorized agents and booksellers functioning very well? I realize it is difficult to compare these things, but how does it compare to your bookstores?

Mr. D'Avignon: It is working very well, Mr. Chairman. We now have 40 authorized agents. Unfortunately, our marketing function is just starting and there are some provinces which have not as yet been covered.

Senator Prowse: This would be particularly useful in getting the publications into the smaller cities, would it not?

Mr. D'Avignon: That is right.

Senator Carter: I have a supplementary, Mr. Chairman, if I may, to your question.

Prior to the advent of Information Canada, the Queen's Printer did quite a good deal of promotional work for government publications. When that function came under the aegis of Information Canada, for some reason or another, there was a drastic curtailment. I am wondering what the state of that is at the present time. Has it gotten back to the normal level, or just what is the situation with respect to the promotion of government publications?

Mr. D'Avignon: Mr. Chairman, I do not believe there has been any cutback in the advertising budget. I think there is as much publicity as there has been in the past.

Senator Carter: I am not referring to publicity as such, but the promotional work which the Queen's Printer carried out in respect of government publications. They conducted promotional work with bookstores and a whole list of people with respect to government publications.

For example, the Senate report on poverty attracted very little promotional work. We had to do some of this ourselves by advertising in the newspapers. I know the Queen's Printer did a good deal of promotional work all across the country on the history of the Newfoundland Regiment. That type of thing seemed to diminish considerably when the Queen's Printer became part of Information Canada. I am wondering whether that situation has been corrected, or what the status is at the moment.

Mr. D'Avignon: As Mr. Ford indicated, we have done some promotional work. We might not do as much as was done previously, but if you look at the figures respecting the sale of government publications, you will find that over the last ten years sales of Canadian publications have gone up from $1.8 million to $4 million. So there has been some promotional work.

The Chairman: Do you do any advertising of your authorized agents and booksellers? For example, if I lived in Kitchener how would I know where to go to obtain a particular government publication? I suppose I could phone Information Canada.

Mr. D'Avignon: When we open an agency or whenever we enter into a contract with a book dealer to become our authorized agent, we publicize it. There is some promotional work in that connection.

The Chairman: Is the agent required to do any promotional work?

Mr. D'Avignon: No. The only thing he is required to do is to place in his window a display which states that he does sell Canadian government publications.

The Chairman: He is required to separate those publications from the rest of his books also, is he not?

Mr. D'Avignon: That is right.

The Chairman: But the bookseller is not?

Mr. D'Avignon: That is right.

The Chairman: Do you have authorized agents in most cities?

Mr. D'Avignon: As I mentioned previously, we are just now getting into this marketing activity. We have at the moment a marketing manager for Western Canada and he has been very active. I suppose we have been more active in Western Canada than in any other area of Canada. We hope to have people operating in the province of Quebec. We have been fairly active in Ontario also, but Quebec and the Maritimes have suffered a bit.

Mr. Ford: I might add to that, Mr. Chairman, that when we studied the Queen's Printer we found that they did do some promotional effort. On the other hand, they had not sent out a news release respecting a new publication for three years, so that their promotional efforts were limited to certain fields; it was not a full-scale promotional effort. Our efforts have been in terms, first of all, of opening up a number of agencies; and secondly, going into a marketing survey program; and then following that up, perhaps, with advertising and promotional work. In other words, we determine where we are going to sell these various publications and we now have people to sell them. Once this is done, it makes sense to open up the floodgates and start pumping out the promotional material.

The Chairman: If it is a case of budget, where would you put your emphasis? Is it an important emphasis in your judgment, as opposed, say, to an increase in the mobile officer program and the inquiry centre program?

Mr. D'Avignon: These are two different programs, Mr. Chairman, and they are both top priority programs. The marketing of government publications and the opening of regional offices are probably the two top priority programs of Information Canada at the present time. Perhaps if I indicate what our objectives are over the next

two or three years in terms of authorized agents it will indicate the importance we attach to this. We now have 40-plus authorized agents. I am not sure of the exact number. Our hope at the end of this year is to have 75 authorized agents; at the end of 1974 to have 150; and at the end of 1975, 300.

Senator Carter: Interpreting your answer, there is no change in the promotional work done by the Queen's Printer?

Mr. D'Avignon: Mr. Chairman, the daily check list is still sent to all the Canadian booksellers, and they can order from this list; they receive it daily. It could be that there has been less promotional work on things like the Newfoundland Regiment history because of limited budgets.

Senator Carter: But there was very good promotion on that one.

Mr. D'Avignon: Yes, there was.

Senator Carter: But when it came to our Poverty report and the other report on Science Policy—

Mr. D'Avignon: They are still bestsellers.

Senator Carter: I know, but I do not think you can say this is because of promotion. I know that in the early stages of the Poverty report there was no promotion at all, none, and we had to do it ourselves.

Senator Prowse: There was an awful lot of publicity about it just before that report appeared.

Mr. Cocks: Going back to the mobile test unit for a second, for clarification, as I understand it, you have the three criteria that you are operating on. Is it to be assumed, I gather, that when you get all the results in you will not necessarily be able to go ahead with all these three criteria, that you will have to make up your mind which of the three, it may be all three or it may be one or two, will be feasible. Is that correct?

Mr. Ford: Yes, the usefulness, the ease with which they can get it into comprehensiveness, and the ease of understanding. As much as possible we would like to meet all three, but it may not be possible in a particular area. We will try to come up to those as best we can, to put those citizens in a better position to make a decision as to what should be done. That is our objective—not to run a scheme for anyone, not to try to sell them a program, but simply to get them the information which they may require to make a decision and to help them, if they wish, to send feedback to government departments about whether they like the program or not, or whatever they want to say about it. We are not in the public relations business *per se*; we are not in the advertising business; and we are certainly not in the news business. I would like to define it as information business, utilizing social communications. It is not pragmatic work; we are not audio-visual freaks, we do not have a lot of equipment. We try to be people-intensive.

Mr. Cocks: As a supplementary to that, I would assume that if one area might want you to use one criterion and another area might want you to use something else, you would not have the same service to each area?

Mr. Ford: No, the whole thing is to adjust it to people, to adjust the government organization to the needs of the people in that particular region, rather than have them saying that we are the bureaucrats coming in from Ottawa. The way we set it up is to have a kind of social organization that adapts to people, that makes it as easy as possible for them to get the information.

Mr. Cocks: Thank you, Mr. Chairman.

The Chairman: On the communication services, the liaison services, do you see that role expanding for Information Canada?

Mr. D'Avignon: Mr. Chairman, at the moment our resources are rather limited in this area and I think they are fully taxed. I believe that this role will expand and that there is going to be more and more demand for specialized services. Some smaller agencies will be using the services of this group to develop information programs for them. There have been some requests already. This is the same group as dos the creative writing. It is not a large group; it is a group that could grow a little, but not very much. They need to be highly specialized people, people who can take over an information program in a department and conceptualize the whole thing. Yes, I do believe this role is going to expand in the next few years.

The Chairman: How many people do you have in that role?

Mr. D'Avignon: Senior people can handle the sort of work I mentioned. I believe we have five at the moment.

The Chairman: Are they the same people who co-ordinate as between departments as well?

Mr. D'Avignon: Yes, that is right. They are backed up by more junior people and by experts.

The Chairman: Do you contract out some of this work, or is it all done in the department?

Mr. D'Avignon: At the moment we have not contracted out any work.

The Chairman: What do you think about the possibilities of Information Canada fulfilling a monitoring and assessing role, that we talked about earlier, on behalf of the government in respect of all information services provided by government, as to their effectiveness and efficiency?

Mr. D'Avignon: Mr. Chairman, the minister elaborated on that the other day. Monitoring is very close to control and one of the problems is that, if we are going to act as advisor to departments in their information needs, and if we also have a control function, it could be rather difficult to play both roles.

The Chairman: Separating out the concept of control, which is really I suppose a super information agency, and saying that there are 39 departments conducting their own information programs, which is a very specialized business and in which there would probably be not so much expertise at the Treasury Board level to know whether or not the kind of expenditure was the most effective or efficient, could Information Canada act as an advisor to government on the effectiveness and efficiency of information services?

Mr. D'Avignon: Mr. Chairman, the answer to this question is: Yes, it could, on a request from the Board, act as an advisor to the Board, in the same way as the Board has other advisors on the use of computers and in a lot of other areas.

The Chairman: Is it a fair question to ask you whether you think it would be a useful function?

Mr. D'Avignon: I still see this conflict: this is some kind of control; it is a financial control. If Information Canada advises the Board on the information and information budgets and the programs themselves and the cost of these programs, it might then be very difficult for Information Canada to act as an advisor to these departments. This is one area that puzzles me a little. It could be possible to separate a group that would look after this, in very much the same way as the Public Service Commission has an appeals board which sometimes works at cross-purposes to the staffing branch, but the appeals board has been set up as a separate entity.

The Chairman: Your advisory role is not so great a role?

Mr. D'Avignon: We hope it will expand. At the moment, in the last year and in this year's estimate, it has not done so; we have not really given top priority to this area. We think that giving information to the Canadian people and the distribution of our publications has been set as our top priority. In the years to come this co-ordination could come, through the opening of regional offices and through co-ordination in the field, and this could then expand to Ottawa.

Mr. Ford: If I may just add to that, Mr. Chairman, I agree that if we set up an apparatus in the regions which could tell departments where there is an overlap or where somebody is not being reached, it is a useful kind of feedback that most departments would accept. It is not monitoring; it is being done in a useful way, that we are both in the information business and perhaps this information would allow us all to do our job better.

Secondly, if we get in the regions and are useful there, it seems to me it would help our co-ordination role in Ottawa, because we could come to the meeting as a person who has information and distributing apparatus in the regions, who understands some of the problems in the region, and we have a useful role to play; we are not being put there by somebody who says, "Here, you chair the meeting. You do not have any money. You do not have much clout." And what will result? If we could come there with a definite role to play, it would improve our situation right down the field.

The Chairman: That is a good point.

Senator Carter: May I ask a supplementary question? A lot of information goes out from every department and every branch of government, and, I suppose, from Information Canada, that is largely wasted because the readability level is too high. Not everybody in Canada has Grade 11 education and most writing is written on the Grade 11 level, and for the person who has a functional readability level of Grade 6 or 7 that is wasted and he does not get much out of it.

Do you carry out monitoring of the articles or publications issued by various departments in order to assess the readability level and advise with respect to it?

Mr. Ford: We have done some of that at the regional level, through our own work or gathering together the work of others. An example might be the Inter lake region of Manitoba, where we attempted to inform Indians with university level material, which obviously they could not understand. We have just made an initial attempt at that. It is a useful pattern to follow though, and we might do more with the departments along those lines.

Senator Carter: That would be very useful.

Mr. Ford: Yes, I agree.

The Chairman: Could you give us a general idea of the future plans for Information Canada?

Mr. D'Avignon: Mr. Chairman, the immediate plans are to consolidate our position so as to do well with what we have inherited. During the course of the next fiscal year we will open five regional offices in the provinces which do not now have them. We also intend to increase the number of authorized agencies throughout Canada, introduce better marketing methods for the sale of publications and develop an on-going computerized inventory for our publications with a back-up system of information. This will be mechanized or computerized and easily available to the public throughout the country. Also during the course of next year we plan to extend the services we can render to other departments in the consulting and advisory fields.

At the moment we are not endeavouring to establish any new programs. We will analyze the results of the mobile units and attempt to determine from this where we go in serving the public in isolated and rural areas.

Basically these are the plans for Information Canada over the next few years, Mr. Chairman.

The Chairman: Are there further questions?

On behalf of the committee, Mr. D'Avignon, I would like to thank you, Mr. Ford, Mr. Trickey, Mr. Douglas and Mrs. Lachance for being with us and co-operating in our examination of Information Canada. I do not believe there is anything we have asked that you have not endeavoured to give us. We apologize for requesting so many forms, reports and so forth, which I hope we will make use of when writing the report.

The committee adjourned.

The Committee resumed at 2.30 p.m.

Senator Douglas D. Everett (*Chairman*) in the Chair.

The Chairman: Honourable senators, we will commence our hearing on the estimates for the fiscal year ending March 31, 1974. Before doing so, we have certain answers that were given to us by the officials of Treasury Board at the meeting on supplementary estimates (B) for the year ending March 31, 1973. With your permission, I will table these.

Hon. Senators: Agreed.

The Chairman: Honourable senators, we have with us, as witnesses from Treasury Board, the Honourable C. M. Drury, President of the Treasury Board, and Mr. B. A.

MacDonald, Assistant Secretary. Perhaps Mr. Drury has a statement to make to open the proceedings.

Hon. C. M. Drury (Treasury Board President): Mr. Chairman, I have a short statement, if it is desired. It is very general. It is perhaps in the nature of a warm-up. I shall read it, but I trust the committee has rather more information already in its hands than they will get from this. I have no particular points to make, except perhaps one.

The main estimates for 1973-74 propose budgetary expenditures of $18,393 million and non-budgetary expenditures—that is loans, investments and advances—of $893 million.

These spending estimates reflect an allocation of resources to existing social policy and economic policy programs in furtherance of the government's goals of national unity and equality of opportunity for all Canadians.

In support of social policy objectives, these estimates contemplate higher expenditures for such programs as public housing and land development, assistance to native peoples, unconditional transfer payments to the provinces that permit greater equality in provincial services, bilingualism, and payments to provinces to assist them in financing hospital, medical and welfare services.

Higher expenditures also are proposed to strengthen the economy. These include assistance to the technical development of our industry, to the orderly development of northern transportation and to other fields of transportation and communications throughout the country.

In certain other cases, where decisions were taken too late to be reflected in the main estimates, supplementary proposals will be submitted to Parliament during the course of the fiscal year.

The government also has stressed a high degree of professionalism as being the primary and most essential objective of the armed forces. This is evidenced by a significant addition to the defence estimates, with the lifting of the ceiling placed on expenditures of the Department of National Defence in 1970-71.

The total increase of $2,238 million in the estimates for budgetary expenditures for this year over the level of expenditures for the past year is unusually large. About 40 per cent of this increase arises because last year, the transitional year between the old and the new Unemployment Insurance Plan, there were no budgetary expenditures for the commission, while the estimates for this year contain $890 million as the payment, after the fact, of the government's contribution to unemployment benefit payments in calendar year 1972. This does not call for any actual cash flow since the contribution is more than covered by the money already advanced to the commission in the course of the last fiscal year.

Mr. Chairman, if there are questions arising out of the statement or out of the blue book itself, I will be glad to try to answer them.

The Chairman: Are there any questions?

I have a question, Mr. Drury. In the course of examining these estimates, we have been examining the work of Information Canada. I wonder if it would be possible to get from your department the cost of information services used or employed by the Government of Canada?

Hon. Mr. Drury: Yes, Mr. Chairman, I wonder whether we could have a rather more precise definition of "information services". The preparation of the blue book is an important informational operation.

The Chairman: As a matter of fact, we discussed that this morning with officials of Information Canada; and, indeed, even bodies like Statistics Canada can have an information feature to their organization. We were thinking what would correspond to the public affairs expenditure in a large corporation. Information Canada officials agreed that it was probably a fairly valid definition as far as trying to determine the amount from the estimates. It may not be.

Hon. Mr. Drury: I think one can see that, really, when you use the term "public affairs" you mean "public relations".

The Chairman: Anybody who is a vice-president of public affairs would disagree with you. You may be right.

Hon. Mr. Drury: In a sense, what is envisaged is the effort, corporate or governmental, that goes into establishing, maintaining and operating channels of communication between the government and the public.

Senator Giguère: Would that include some form of advertising?

Hon. Mr. Drury: I would suggest that all advertising would fall under this heading. All the complication and distribution of pamphlets, booklets. You have one there, which would come under this heading of communicating with the public.

I am not sure that the blue book would, because that is designed basically rather more as an internal document than to communicate with the public. This would be quite difficult to do because in our classification of accounts you do not always get under these broad definitions or broad classifications exactly the same application. Perhaps the Department of Agriculture, in the dissemination of information on how to computerize a farm, would regard that as part of the normal operating expenditure of, for instance, the division of animal husbandry. It would not show up under communications.

The Chairman: I suppose that is possible, and I suppose there would be some difference of opinion as to what made up those figures. Nevertheless, we had an official from the information section of the Department of Labour this morning who brought in a budget which totalled about $1.5 million or $1.6 million as their information budget. I would think that each department would at least have a figure that they considered to be information. Whether you and I could agree with them, that it is or is not information, would be another matter.

I think the reason we want the figure—we initially asked for it from Information Canada, but they were unable to get it for us—was to try to determine the importance of information services to the government and to Canada, the role that Information Canada might or might not play, and the sheer magnitude of the job of communication.

Mr. B. A. MacDonald, Assistant Secretary, Program Branch, Treasury Board Secretariat: If it is a question of identifying units of departments whose principal function is public relations or public affairs, or the dissemination of information rather than its origin, it is a manageable task.

The Chairman: Would that exclude creative writing?

Mr. MacDonald: If you took the information service of the Department of Agriculture and were to obtain a booklet on a particular aspect of horticulture, it might be written in one of the research branches, or something of this nature, rather than in the information service itself, although the public would obtain the document from the information service.

The Chairman: I think that is probably true also of the Department of Labour.

Mr. MacDonald: It would be a never-ending trail. It appears here as an identifiable activity in the Department of Labour, in the estimates themselves. It is on page 13-5 of the blue book.

The Chairman: They break it down in two forms. One, they have $1,093,000, which includes the work of the department and the production of information vehicles, as they call them, which bridges various branches of their operation. Then, beyond that, they have another $526,000, which is information vehicles applied to specific branches.

Mr. MacDonald: Mr. Chairman, I think that the obtaining of the equivalent amount to the $1,093,000 in other departments would be a straightforward job. Finding the equivalent of the information vehicles, as you referred to them, would be much more difficult.

Hon. Mr. Drury: I see they have here a very large item in respect of data processing. If you apply this kind of analysis to Statistics Canada, the whole of their budget comes under information. Where is the cutoff line between the cost of acquisition of information, the cost of processing and the costs of dissemination? It is all information. These people do not make beads or turn out a product.

The chairman: I suppose Mr. MacDonald came as close to an answer as anyone can when he said the "dissemination of information". If it is relatively simple to get, then I would imagine that would probably answer our question.

Mr. MacDonald: The information division of the Department of Agriculture, the information division of the Department of Transport, and even of Treasury Board, and every other department, is responsible for the organized distribution of information. That, I think, we can identify; but it would only be a partial answer to your total question, Mr. Chairman.

The Chairman: If that is reasonably convenient to do, then it would probably answer the question. We do not want to ask impossible questions, because you do not get answers that way.

The other question we had regarding Information Canada was whether or not you thought Information Canada could play a role in making an annual report to government or, indeed, to Treasury Board on the effectiveness and efficiency of such information services.

Hon. Mr. Drury: I would rather have them try to devise some instruments for the measurement of efficiency and effectiveness. One would hope that they would have certain expertise in that area, certainly more than one might find elsewhere. I would rather see them devise some instruments which the departments themselves could use, and then the conclusions of that kind of analysis would be looked at by Treasury Board at an annual review of departmental budgets.

The Chairman: Do you mean to say that Treasury Board would use the tests?

Hon. Mr. Drury: The departments themselves would use the tests.

The Chairman: But not Treasury Board?

Hon. Mr. Drury: Treasury Board would not use them in the sense of operating them, but would use the results of such tests in making judgments. In other words, the departments would be required to show, as part of the justification for their budgets, this kind of analysis of their own operations. We are doing this in a number of areas. Treasury Board, under Dr. Hartle's branch, tries to develop measuring instruments, both quantitative and qualitative, for testing the efficiency and effectiveness of the larger programs. These measuring devices, analytical devices, will be employed by the departments in looking at themselves annually. As part of the annual review of prospective budgets, Treasury Board would ask to see, as justification for either increases or decreases, the application of these measurements, rather than Treasury Board having to do the actual measuring.

The Chairman: Perhaps we will come back to that later. Are there any other questions?

Senator Phillips: Mr. Minister, who publicizes and distributes the various releases made by the minister responsible for Treasury Board and the various announcements by Treasury Board?

Hon. Mr. Drury: The machinery used is that of the Communications Division of Treasury Board.

Senator Phillips: Not Information Canada?

Hon. Mr. Drury: No, not Information Canada.

Senator Phillips: You do not consider Information Canada capable of doing that?

Hon. Mr. Drury: I am not quite sure, to be quite frank, as to what their capabilities are in the field of distribution.

The Chairman: I might mention, Mr. Minister, that the evidence of the Minister of Labour, when he appeared before our committee, was that Information Canada did not see its role as one of taking over the central information capacities of the various departments. Information Canada saw its role as a number of different things; but in the information-out, as they call it, they saw their role solely, or virtually solely, as a regional information agency co-ordinating the regional output of departmental information. So I do not think that Information Canada see themselves as handling the central information capacities of the various departments.

Senator Phillips: My question was not what Information Canada saw itself as being, Mr. Chairman. My question, which was directed to the minister, was whether or not he considered Information Canada capable of doing that.

The Chairman: That, indeed, is another question. Just so the minister is aware of the evidence given by the Minister of Labour, that was his evidence.

Hon. Mr. Drury: My answer to that question, senator, is that I do not know whether they are capable of doing it or not. Presumably, they could be made capable.

Senator Phillips: What would be the necessary steps to make them capable, Mr. Minister?

Hon. Mr. Drury: Basically, I suppose, the transfer of resources from the various departments now doing this mechanical operation to Information Canada.

Senator Phillips: What type of resources do you have in mind, Mr. Minister?

Hon. Mr. Drury: Presumably, duplicating work, the personnel who maintain distribution lists, the technical operation of addressing envelopes and the putting of those envelopes into the hands of whatever carrier is used.

Senator Phillips: Could you not envisage a saving, Mr. Minister, if all this work was done under one office, rather than each department having their own staff in this area?

Hon. Mr. Drury: I would suggest—without being too familiar with it, to be quite frank—that you would then get into the question of the economies of scale. There is a point where putting all the typewriters in one room does not achieve either economy in the number of typewriters or the number of people than by having them distributed in a variety of places.

If a department has a minimal operation, or less than minimal, then, presumably, there would be economy by making use of a centralized operation. If a department or an agency has a function which is above this minimal number, whatever it may be, they are not likely to achieve many economies. It is a facet of the never ending debate: the stenographic pool as against the individual stenographer.

Senator Giguère: As Information Canada is organized now, if you transferred your communiqués to them, would it not cause delays? Isn't it more rapid the way you do it now?

Hon. Mr. Drury: It is likely to be more rapid if the person who is originating can undertake the distribution directly. By way of example of a press release or a communiqué, it is subject, as I guess you well know, to changes editing, translation and all the rest of it, right up to the last minute. As quickly as these things can be accomplished, they are. The minimal amount of time should elapse until they get through to the hands of the recipient. If, after a final editing, a Treasury Board communiqué had to travel to Information Canada for some kind of action, for duplication over there and so on, there would almost certainly be a delay.

Senator Giguère: More handling.

Hon. Mr. Drury: More handling. In a way, we have had a somewhat similar experience in endeavouring to centralize the reproduction, the printing process. In some cases, centralized printing, centralized reproduction, does represent an economy, where a number of departments use a single unit not owned by any one of them. In other cases a department can effectively and efficiently load to an economic level one of these printing units all for itself, and if it is a printing unit on the premises almost under the control of the department, it is faster than if you have to ship the material out and wait until the product comes back.

Senator Carter: Mr. Minister, you were a member of the cabinet when the original concept of Information Canada was developed. In your opinion, is the present establishment, the present organization, the same as originally conceived?

Hon. Mr. Drury: That is a little hard to say. When you talk about "the original concept," this must be somebody's view or some collective view.

Senator Carter: I am thinking about the collective view of the cabinet, as expressed by the Prime Minister in the house when he made the original policy speech. He described Information Canada as a rather compact unit of about 100 people. Now, we have had evidence before us to show that, apart from the agencies that Information Canada has absorbed, the staff of Information Canada itself is around 240 or 245. And we have been told that they are planning a regional decentralization which will require more staff and probably bring it up to about 300 people. That is about three times the organization that was envisaged by the Prime Minister in 1970. I was just wondering: Was this thing thought out, or was it started and let grow like Topsy?

Hon. Mr. Drury: I would say it was not thought out to its ultimate, quite clearly. If it had been, then instead of a figure of 100 it would have been 200, 300, whatever would have been appropriate. When one asks if it is growing like Topsy, I say that the whole concept was of an experimental nature; there was not a precise model that was going to be set up, already determined in advance. As effect is given to ideas which appear to be worth trying, some are successful and some are not, and an institution like this will continue to evolve.

Senator Carter: The original press release, as I remember, was the usual one, like those that come out from time to time, which gave me the impression, and I think gave others the impression, too, that by setting up Information Canada the work of the informational staffs of the various divisions would somehow diminish. But that has not happened, because our evidence shows that in most cases they have increased, in spite of Information Canada. Did you envisage Information Canada primarily as a collector or a dispenser of information?

Hon. Mr. Drury: In a sense, I do not think that one could say it is primarily dispensing or primarily collecting. It is supposed to be, as in the original concept, a two-way street: it was supposed to be a disseminator of information and also a collector. Now, as the instruments turn out to be effective, or there are areas in which they are effective and useful, one would then expect them to grow; and the ones that are not, to shrink.

Senator Carter: Each department already had an agency to disseminate information they wanted to get out to the Canadian public, so that was pretty well taken care of. The Prime Minister in his speech, in February 1970, the one I referred to earlier, emphasized something which was not being done at that time—that is, that Information Canada would gather the ideas, attitudes and reactions of the people and gather up the feedback from the people to government programs and so forth. That has not been a

high priority with Information Canada; they are only just getting started on that now.

Hon. Mr. Drury: I will accept that.

Senator Carter: If this was an important thing and was not being looked after, how come it has such a low priority, when the other situation was already taken care of?

Hon. Mr. Drury: I am not certain that the other situation was already adequately taken care of. Probably the Minister of Labour has outlined to you the program of setting up Information Canada offices, outlets, in a number of cities across Canada where they did not exist before.

Senator Carter: The Department of Labour? You mentioned the Department of Labour?

Hon. Mr. Drury: No, Information Canada. I mentioned the Minister of Labour, he being the minister responsible for Information Canada.

Senator Carter: The decentralized offices are necessary in order to get the feedback from the people. That is the only way they can do it. They cannot get feedback from the people just through the centralized office here in Ottawa.

Hon. Mr. Drury: I am just saying there has been some progress made. I am not sure whether he did outline it.

Senator Carter: It was not mentioned.

Hon. Mr. Drury: It was not, eh?

Senator Carter: One does not get that idea from the description given by the Prime Minister when the policy was originally announced.

Hon. Mr. Drury: To the best of my knowledge, from the earliest days of the gestation of Information Canada this was part of the *modus operandi* of the agency—that is, the establishment of federal government information outlets, other than merely one centralized one in Ottawa. Rather than have individual departments attempt to establish regional information outlets, this would all be done, in effect more economically and effectively by a centralized agency, Information Canada. The public seeking information in relation to any department could then have recourse to a federal government source of information, rather than have individual departments all attempting to establish their own information outlets initially in all the principal cities of Canada. This dissemination of information by departments whose machinery and outlet was only in Ottawa, would be less effective and, incidentally, more expensive than establishing regional outlets on a centralized basis.

Senator Carter: What was the rationale for transferring the functions of the Queen's Printer and the publishing business to Information Canada so soon? Why were they not allowed to become organized before taking all these other agencies under their wing, which would only retard their progress in becoming established?

Hon. Mr. Drury: It avoided a certain amount of duplication by putting them together at the outset, rather than attempting to build up an efficient operating machine, the function of part of which would be concerned with the running and operation of these facilities while still disassociated from them.

Senator Carter: Can you tell us, then, how the Queen's Printer and the publishing of books have benefited? It is my impression that they were not doing too badly on their own. My other impression is that they have not changed much by being transferred to Information Canada, where they are performing pretty well the same function. The only possibility of savings would be in administration. We have no evidence that there have even been administrative savings.

Hon. Mr. Drury: That will be most apparent in the organization on a joint basis of these new outlets throughout Canada. They now combine the information releases on a so-called straight information basis, communiqués, booklets and so forth, for departments.

Senator Carter: Are you referring to the Queen's Printer now?

Hon. Mr. Drury: No, to Information Canada.

Senator Carter: But I am referring to the Queen's Printer.

Hon. Mr. Drury: They also have outlets previously not available to the Queen's Printer.

Senator Carter: I was not aware of that. The Queen's Printer always used bookstores and had its own outlets. There probably were not as many, but they had their own outlets, and also arrangements with booksellers and bookstores throughout the country.

Hon. Mr. Drury: The Queen's publisher.

Senator Carter: Yes.

Hon. Mr. Drury: Not the Queen's Printer; the Queen's publisher function now has, as a result of this integration, considerably more outlets available and in better locations than was the case in the past. They continue, however, the arrangements with retail booksellers.

Senator Carter: Could we be given details of that?

Hon. Mr. Drury: Yes. I take it you are aware, senator, of the distinction between the Queen's Publisher function and the Canadian Government Printing Bureau, as it is now known?

Senator Carter: Yes.

Hon. Mr. Drury: The two are quite different. The Canadian Government Printing Bureau is under the Department of Supply and Services, rather than Information Canada and the Minister of Labour.

Senator Welch: We were attempting this morning to obtain a reply to the question as to how much Information Canada was actually costing the country in 1970. I would also like to know what it cost in 1973. In other words, what is the cost today?

Hon. Mr. Drury: The cost today is the figure outlined in the estimates, the total budgetary expenditures for 1973-74 of $10,880,000. I do not have the figure for 1970. This estimate book does not contain the earlier figures. There may be a copy in the Library and I could read the number out of it.

Senator Welch: Isn't Information Canada almost a direct copy of the functions performed by the department

anyway? What advantage does Information Canada offer to the people of Canada?

Hon. Mr. Drury: As I indicated, there were no, or very sketchy, regional outlets for information. There was a large machine with elements in each department and agency located in Ottawa for the dissemination of information, but this did not very effectively serve the people in cities and elsewhere, other than Ottawa. It tended to be rather sketchy and what they obtained or did not obtain depended to a large degree on the maintenance of distribution lists and the mails.

Senator Welch: Reading the report of the Auditor General, what comment would you care to make on the remarks he made with respect to Information Canada?

Hon. Mr. Drury: I am unfortunately not familiar with them.

The Chairman: Could you tell us the remarks he made, senator?

Senator Welch: I would have to look them up.

Senator Phillips: If I may interrupt, Mr. Chairman, if I recall the report of the Auditor General correctly, he was very critical of much of the internal auditing and so on carried on in the organization. I am rather surprised that the President of the Treasury Board has not read that. Haven't you read the report at all, sir?

Hon. Mr. Drury: I have read the report.

The Chairman: I believe the answer the President gave was that he was not aware of that particular section.

Hon. Mr. Drury: Well, I rather prefer the phrase that I am not familiar with it. I have read the report; it is a rather thick document and I confess I have not committed it to memory.

Senator Welch: How many staff were employed at Information Canada in 1970, and how many do they have today?

Hon. Mr. Drury: I can give you the figures for today, senator. Their authorized strength is 401 man-years. If senators will turn to page 13-16 of the current estimates, it shows the total number of man-years authorized, distribution by categories, and comparison between 1972-73 and 1971-72. It does not go back to the one year in which you are interested. We would have to obtain an earlier estimate book for that.

The Chairman: Senator, I have a copy of the Auditor General's Report, if you would like to see it.

Senator Welch: I have read it, but I do not have it in my mind.

The Chairman: If there are any specific questions that you would like to ask, I will have the messenger bring it over to you.

Senator Phillips: I have one here.

The Chairman: Do you have any further questions, senator?

Senator Welch: That was all, unless the minister would like to look at the report and comment.

Hon. Mr. Drury: Most of the information contained in paragraphs 386 and 387—the two you referred me to—appear to be a description of the activities of Information Canada.

Senator Welch: What do you make of this? It says:

> As in previous years (paragraph 341 of our 1971 report) we must report the lack of adequate control over stocks of publications held for sale.

What does he mean by that?

Hon. Mr. Drury: I think he means that in the view of the Auditor General the stock control, inventory control, to which he made reference in his previous report, is still inadequate.

Senator Phillips: Has Treasury Board made any effort to improve the control, since that report was made?

Hon. Mr. Drury: I can say, in general, that when the reports come to us from the Auditor General, as to his observations prior to the publication of the report, we work through these and co-operate with him and his staff to try to bring about the improvements that he feels are necessary. Then, when the report is published, there is another analysis of it to see which of these observations, which are made internally during the course of the year, re-appeared in the report. We then endeavour, if there is further corrective action to be taken, to see that it is taken.

Senator Phillips: Mr. Chairman, I do not know where I am on the list of speakers, but before we leave this I would like to ask a couple of questions.

The Chairman: Have you completed your questions, Senator Welch?

Senator Welch: I might ask the minister if he conscientiously feels that Information Canada has been a good thing for the people, and if it has saved money for the people of Canada.

Hon. Mr. Drury: Well, I am not sure, Mr. Chairman, that the basis for setting up Information Canada was to save money.

Senator Welch: You have to save it some place.

Hon. Mr. Drury: The purpose of most government programs is not to save money, as such—you can do it very easily by just ceasing activity—but to provide a more effective, a more efficient way of meeting the needs of the people, of discharging our responsibilities to meet their needs. There is no question in my mind but that information sought by citizens about the operations, the ability to assist them in their need, of the Government of Canada, is being more effectively discharged through the operations of Information Canada than it was previously—that is, in terms of effectiveness.

Information Canada has made the Government of Canada more effective in making available to citizens answers to questions they seek about their government and their country. Insofar as the efficiency of this operation is concerned, it has not yet reached maturity, if I could use this term, whereby the organization and its operations can be looked at on a routine basis and routine tests applied. The kind of efficiency test that you can

apply to a department such as the Department of Agriculture is rather inappropriate in a young and evolving organization such as this.

Senator Welch: You have not answered my question. I made the statement "to save money." You made the statement that we could save money by, in other words, ceasing to exist, or ceasing to spend money. I would expect that answer from some people, but not from you. Are we saving money by forming, three years ago, Information Canada, or are we wasting the taxpayers' money with duplication? I want to have your opinion on that, not the fact that we could quit operations we all know that. Perhaps we should quit for a while anyway.

Hon. Mr. Drury: I tried to answer that by saying that information, answers to questions from the public, particularly the public outside the Ottawa area or those people who have easy access to Ottawa, is much more effectively being done under Information Canada than it was under the previous arrangements. I think it is being done more economically than had we merely enlarged the individual operations of departmental information divisions.

Senator Langlois: Is it not also a fact that Information Canada is presently providing services which were not previously provided?

Hon. Mr. Drury: That is quite correct, senator. When I say it is being done more effectively, this means not only is there more of it, but things which were not being provided are now being provided, and also areas which were not covered previously are now covered.

The Chairman: Senator Phillips?

Senator Phillips: Turning to the Auditor General's Report, Mr. Chairman, I am rather intrigued by the fact that in August of 1972 the Department of National Revenue assessed Information Canada $100,000 in respect of federal sales tax.

Could you elaborate on that, Mr. Minister, and explain the basis of the assessment and why it was left until August of 1972 before it was decided that Information Canada was responsible for paying federal sales tax?

Hon. Mr. Drury: I must confess, Mr. Chairman, I do not know the answer to that particular question. I am not fully familiar with that transaction.

Senator Phillips: Very well, Mr. Minister.

My next question, also based on the Auditor General's report, is that the report states that the costs of Information Canada do not include the costs of common services provided without charge by other government departments. The report goes on to estimate the costs of these free services provided to Information Canada at approximately $2,300,000 for the fiscal year 1971-72. This, to me, appears to be a very sloppy form of bookkeeping. I do not know of any board of directors or, indeed, any respectable firm of auditors who would tolerate this type of estimation. This leads me to inquire as to what type of control Treasury Board exercises over Information Canada. Do you provide Information Canada with a sort of Chargex card, a Bank Americard, in dealing with Treasury Board and various other government departments? What form of control does Treasury Board exercise over Information Canada?

Hon. Mr. Drury: Substantially the same degree of control which is exercised over all government departments. In general, I suppose, this might consist of an annual review of their budgetary proposals for presentation in the blue book. Included in this review is an attempt to have them justify, both in relation to the programs they are authorized to carry out and in relation to their past performance, the sums of money which they claim will be needed in the carrying out of their mandate. Following this review, the government accepts the budget and it appears in the blue book. In the course of the year, in the administration of this budget, they are required to make individual submissions to Treasury Board for review and approval or disapproval, or modification, as the case may be, according to the rules now established for all government departments. They do not differ from other departments in this respect.

Senator Phillips: For the fiscal year 1971-72, Mr. Minister, I believe the budget for Information Canada was slightly in excess of $9 million. Yet in the Auditor General's report we find that other departments provided free services to the estimated amount of $2,300,000, which is approximately 25 per cent of the total budget of Information Canada. I find it inconceivable that a department or any organization in the federal government can exceed the allocation provided by Parliament by 25 per cent through the simple means of using free services provided by other departments. Bear in mind, Mr. Minister, that the essential function of Information Canada was to reduce the costs. Anyone can operate on a budget if they are provided with free services from other departments.

I feel this is one point where not only Information Canada has fallen down, but where Treasury Board has fallen down very badly.

Hon. Mr. Drury: There is, of course, a series of so-called free services provided internally by the government from one department to another for which no charges are made, as they would merely be bookkeeping entries. They do not call for an authorization or, in effect, a double authorization by Parliament. In the blue book, paragraph 12 of the introduction, the activities table is shown, and explained in paragraph 12 is what is in and what is out. Paragraph 12 reads:

> The services provided by the department usually means accommodation in the department's own buildings. Services provided by other departments consist of accommodation provided by the Department of Public Works;—

And for smaller agencies, the accommodation is almost invariably provided by the Department of Public Works. Paragraph 12 continues:

> accounting and cheque issue service provided by the Department of Supply and Services;—

The Department of Supply and Services has a centralized cheque issuing operation and the costs of that are met by one appropriation for the Department of Supply and Services. That department provides this service without charge to other government departments.

Paragraph 12 continues:

> the contributions of the government as an employer to certain employee benefit plans, other than the Public

Service Superannuation Account and the Supplementary Retirement Benefits Account, by the Treasury Board;—

Again, the amounts required for these things are contained in the estimates of Treasury Board and they cover all government employees, rather than having a separate listing under each of these headings in the various departmental budgets.

Paragraph 12 continues:

and payments by the Department of Labour for employment injury claims by public service employees.

This is another free service, if you like, to all government employees.

This is the type of thing to which the Auditor General was making reference. Accommodation, including power, light, and so on; employer contributions to a number of employee benefit plans and services such as cheque issuance.

Senator Phillips: I appreciate your attempt to answer the question, Mr. Drury. I do not wish to belabour the point. You really have not convinced me, sir, so I am going to ask one brief question. Do you know of any other department or Crown corporation that uses the various free services provided by the department ot the extent of 25 per cent of their budget?

Hon. Mr. Drury: If one looks at the Department of Finance, Mr. Chairman, there is at page 8-6 of the blue book for 1972-73 under the heading of "Activity," an estimate made of the value of "Services provided by other departments," and the operations total of the Department of Finance calls for the payment of $8,560,000. The estimate of services provided by other departments is $4,699,000.

Senator Phillips: An obvious question arises from your reply, Mr. Minister. If the Department of Finance can estimate this, why can't Information Canada?

Hon. Mr. Drury: Yes, I think they probably could. If the Department of Finance can, so could Information Canada.

Senator Phillips: I heartily recommend that for your consideration, Mr. Drury.

Hon. Mr. Drury: In the report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1972—that is a couple of years old—we see for services provided by other departments to Information Canada, in the current book of estimates, on page 13-12, a figure of $820,000, that is in 1972-73, and in the current year, $1,038,000.

Senator Phillips: Mr. Minister, there is still a considerable discrepancy between that estimate and that of the Auditor General.

Hon. Mr. Drury: Of the Auditor General.

The Chairman: The Auditor General's report is 1971-72, the figure I see here is $2,998,000.

Mr. MacDonald: Mr. Chairman, I wonder if I could interrupt? There is a change made between 1973-74 and the earlier years in the distribution of departmental votes of contributions to the Public Service superannuation account. The 1973-74 estimates naturally adjust the figures for the two earlier years, so the figure the Auditor General would be referring to as being the original estimate would be in terms of Treasury Board having paid the contribution on behalf of Information Canada employees to the Public Service superannuation account, and then showing it as a so-called free service to Information Canada, so that there is a better distribution of costs in 1973-74 than there was in earlier years.

The Chairman: It seems to me that the figure the President was reading was the 1973-74 figure, but the 1971-72 figure that the Auditor General has been referring to shows services provided by other departments of $2,998,000, which is more than the Auditor General's figures.

Mr. MacDonald: For 1971-72, expenditures, $2,998,000.

The Chairman: Which is more than the $2 million?

Mr. MacDonald: I do not know the reason.

The Chairman: We do not know where the $2 million comes from, but in fact it appears as though the amount is fully provided in the estimates.

Senator Phillips: Neither the minister nor myself had that interpretation on it up to a few minutes ago.

The Chairman: If you look at page 13-12—

Hon. Mr. Drury: I am not sure what the senator is crediting me with, Mr. Chairman. This is at least an indication that if in the previous year there was no estimate contained in the estimates of this, at least one has been conscious of the operation of the Auditor General, or for some other reason, and it is now here.

Senator Phillips: I have several more questions, but I will yield the floor.

Senator Yuzyk: I have a question to ask of the minister about the information services of the Treasury Board. However, first of all, I am looking at the blue book page 28-8. I notice an item there, "Information". The expenditures for 1971-72 were $489,000. Then the forecast expenditures for 1972-73 were $456,000. The estimates for 1973-74 were $624,000, which means a jump of $168,000, approximately 37 per cent, which is quite a high jump in one year. How do you explain this jump? Are there new plans in this field of information to account for the $168,000 difference?

Hon. Mr. Drury: Mr. Chairman, could I ask Mr. MacDonald to indicate what is included in that and what the changes are?

Mr. MacDonald: Mr. Chairman, that "information" item includes the cost of printing certain documents that we have to print, such as the main estimates you have in front of you and the supplementary estimates, and also the *How Your Tax Dollar is Spent* booklet that is put out, and in the main it represents increases in costs rather than a change in items.

Senator Yuzyk: Do you have an information services branch with a director at the head of it?

Mr. MacDonald: We have a group of four or five people for Treasury Board. But this is the cost that we pay for information services, rather than the cost of our own

employees whose expenses would be shown under salaries and wages. It is basically the cost of our own printing, that we have to buy.

Senator Yuzyk: But do you have a budget for information services?

Mr. MacDonald: Yes.

Senator Yuzyk: That is not shown here?

Mr. MacDonald: It is not in that detail.

Senator Yuzyk: Could you provide us with budgetary expenses and even forecasts?

Mr. MacDonald: Yes, sir.

Senator Yuzyk: This branch of the information services is also related in some way to Information Canada, is it not? At least, the printing is done through Information Canada.

Mr. MacDonald: The printing is done at the Canadian Government Printing Bureau, which is part of the Department of Supply and Services.

Senator Yuzuk: And not through Information Canada?

Mr. MacDonald: No, the Queen's publisher is part of Information Canada, the distribution service or the publishing service, while the printing service is run as an operation under the Department of Supply and Services. Each department carries in its own budget the cost of the printing done, either directly by the Canadian Government Printing Bureau, or through the Canadian Government Printing Bureau by private suppliers.

Senator Yuzyk: When you present to us a little later on the complete budget, we will have a good idea of what your information services provide in the way of information and how they could be related to other departments.

Mr. MacDonald: I believe, Mr. Chairman, that in the case of Treasury Board we would show the cost of a unit of organization within the Treasury Board Secretariat which is concerned with the distribution of information from Treasury Board, such as press releases and information of this nature, similar to the larger information services of the operational departments.

Senator Yuzyk: Do your officials meet with the officials of Information Canada from time to time to discuss programs of information?

Mr. MacDonald: Do you mean our own programs?

Senator Yuzyk: Yes, within Treasury Board itself?

Mr. MacDonald: Typically, yes. For instance, such distribution as is made of the blue book of the estimates to the public is through Information Canada. *How Your Tax Dollar is Spent* is distributed through Information Canada. We use it as the major distribution service of the government to the public.

Senator Carter: Mr. MacDonald, Treasury Board has a very small information branch, of four or five persons?

Mr. MacDonald: That is correct.

Senator Carter: Has Information Canada provided your branch with any services that you did not have previously?

Mr. MacDonald: For instance, in conjunction with the whole entry into this field of issuing an annual, somewhat popularized version of the estimates, *How Your Tax Dollar is Spent*, we obtained technical advice from them during the whole design. Officers were lent to us to carry the publication through in the first and second years. We looked to them for advice with respect to methods of distribution and assessing what we are doing, which was getting the publication to the public so as to achieve the greatest benefit.

Senator Carter: Has Information Canada had any other impact on your branch?

Mr. MacDonald: I am not that familiar with its operations, but I believe the information community in Ottawa is fairly close knit and I am quite sure that there is an exchange of information.

Senator Carter: You have told us the same story as we have heard from every other department whose representatives appeared before us, that this is where they find Information Canada to be of great help— that is, inthe publishing sector, and beyond that there is not very much need of extra services, apart from the publishing, which seems to be quite considerable. Representatives of the Department of Agriculture have told us that through Information Canada they could use economies of scale and produce books which they would never have been able to do out of their; budget. It is very useful material.

Mr. Drury, if I understood you correctly when I was questioning you earlier, there has been no basic change in policy with respect to Information Canada since it was established.

Hon. Mr. Drury: I am not sure that I am in a position really to give an unqualified yes or an unqualified no, because there has been no basic change in policy in relation to Information Canada since its aims and objectives were first announced.

Senator Carter: That is what I mean, since it started.

Hon. Mr. Drury: If one considers the original ideas, or who had that idea and how that has been modified, it becomes really quite a maze.

Senator Carter: Is the policy announced by the Prime Minister on February 10, 1970 still the basic policy?

Hon. Mr. Drury: It still is.

Senator Carter: You mentioned earlier, in reply to a question, that you feel that Information Canada might devise some instrument that departments could use to measure the effectiveness of their informational services. Has Treasury Board itself taken any steps, or got other departments to initiate some method of finding out what use is made of their material? My own box is filled two or three times a day with papers such as speeches from many government departments. It is impossible to read it all and most of it goes in the basket, otherwise I would be crowded out of the office. I wonder, with all this material being distributed, has anyone ever bothered to find out if it is ever read, or what happens to it?

Hon. Mr. Drury: A great deal of effort is put into this, but there is really no easy way to find on a continuing basis, if you like, the receptivity of the information which is distributed. This is a perennial problem for those who advertise extensively. They endeavour to discover an easy method of ascertaining this, but have not done so. There does not appear to be any easy way. Our preoccupation really has been to see that distribution lists are not being just repeated out of habit and, in effect, full of names of people who have died and of wrong addresses, or people who clearly have no interest, and are pruned accordingly.

Senator Carter: Different types of publications are available for different purposes. Some departments have what amount to house organs, which are news magazines for their own department, which would not be of much interest for those outside the department itself. That, of course, would have a limited circulation. Then we have other publications like the *Labour Gazette,* which has a circulation of about 5,000, we are told. It is aimed at specific groups, employers and employees, but not so much at the general public. We understand that agriculture would be aimed at farmers, because that is primarily their interest.

I am always amazed at goals and objectives. Has anybody ever sorted them out and found out which ones we should concentrate on; and of the ones that we do have, do they have sufficient circulation to be of very much use? Do they go on an employer's desk of a labour union man's desk, and from there into the basket? These fellows are putting out their own material as well. The public must be pretty well flooded with it. Surely it is time that somebody began to look into to bring a little order out of chaos?

Hon. Mr. Drury: It is not being done in an organized way, largely because of the lack of effective ways of measuring this, of getting the answers to these questions. The only technique we now have is the direct question, calling for a direct answer, a survey or a questionnaire.

Senator Carter: Each department could do that, as far as their own limited list is concerned, could they not?

Hon. Mr. Drury: They do this periodically.

Senator Carter: How often?

Hon. Mr. Drury: It varies from department to department. I thought one of the useful things that Information Canada could do would be to put some cerebration on to this problem and come up with techniques which are effective and efficient and which could be used by anybody.

Senator Carter: One of the points brought up this morning was that a lot of the material that goes out—fairly expensive paper, binding, covering—is costly, but its readability is at such a high level that unless one has Grade 11 education one might as well forget it. To send that kind of stuff out to the ordinary Joe is pretty well a waste of time and money.

Hon. Mr. Drury: I would think your observation is quite correct. Hopefully, there is a minimum of this being done.

Senator Carter: That was one of the points we tried to develop this morning, at to whether Information Canada could not at least monitor some of this stuff and give advice to the various departments on the readability of their material.

Hon. Mr. Drury: A number of departments seek that advice, and we are one. As Mr. MacDonald explained, this is precisely the process we went through in this tax dollar pamphlet—both advice from the editor's point of view, and again, the most useful, productive, distribution list. We do not have the machinery in the department; we are not knowledgeable as to what or where the market is, in terms of acceptability, for this particular document; and so we go to Information Canada and ask them.

Senator Carter: We had one witness before us who felt that Information Canada could not achieve the maximum effectiveness unless it had some sort of control, monitoring control, with respect to the other departments.

Hon. Mr. Drury: This is always a temptation. One is told that you cannot perform a useful function unless you have authority to control, to command. My own view is that if Information Canada has useful advice and good ideas, they will be sought, as we have sought them. If it has not, then it will not be used on an advisory basis, and it should not be given authority to impose. Surely it is a much more satisfactory situation where here is an agency which can help you, because they are good and knowledgeable, and you can go to them for help and use their advice and knowledge, rather than having what might possibly turn into an inept, incompetent group controlling things.

Senator Carter: The same witness said that if they wanted information, they would go to the fountain head and get it, rather than getting it second-hand from Information Canada.

Hon. Mr. Drury: I do not know who the witness was. There are many such people, but I question if they know where the fountain head is. There are an awful lot of searchers.

Senator Carter: We have been told that here in Ottawa, if a person wants information about labour, he goes to Labour. If he is in Labrador, he will probably go to Information Canada.

Hon. Mr. Drury: Here, then, is a useful function being provided by Information Canada which hitherto was not.

Senator Carter: I chose a very poor example when I mentioned Labrador, because I am told they have very low priorities, but the principle is the same. You feel that Information Canada has the expertise to work out some sort of instrument that can measure qualitatively and quantitatively the effectiveness of the information that goes out to the various departments?

Hon. Mr. Drury: Well, better systems than we now have, yes. Part of this I would expect they would develop themselves, and part through the process of inquiry with departmental information organizations which have a considerable measure of experience on some ideas. Hopefully, Information Canada could synthesize all this.

Senator Carter: Is there any directive from the government for them to work on this? How far up is this in their priorities?

Hon. Mr. Drury: I am not quite sure. Could I ask Dr. Hartle if he has had any dealings with Information Canada on this topic?

Dr. D. G. Hartle, Deputy Secretary, Planning Branch, Treasury Board Secretariat: Yes, Mr. Chairman. I remember addressing a seminar. Information Canada had assembled principal information officers of departments, and I presented a paper to them. I have at least had some preliminary discussions with them. I might add that the cost of assessing the effectiveness of some of these publications sometimes exceeds the cost of the publications themselves. To try to get opinion polls is a very expensive proposition. Information Canada is aware of these problems. They are providing a focal point for information officers in the departments, in a sense, through me, trying to show them the sort of techniques available. But I cannot answer the question as to the degree of priority given to the subject. I have not discussed that with them.

The Chairman: Mr. Minister, on pages 13-16—perhaps this is a question for Mr. MacDonald—I notice that under "Standard Object", it shows "Salaries and Wages, $4,150,-000," and then "Less: Amount recoverable from Expositions Revolving Fund, $170,000." Then, on pages 13-18 and 13-19 it shows the Revolving Fund breaking even. I am wondering where that $170,000 comes from.

Mr. MacDonald: Mr. Chairman, the Expositions Revolving Fund would receive certain administrative services from Information Canada, which is its parent, if you like. In the case of all the revolving funds, we have tried to reflect total charges. One of the costs of operation of the Expositions Revolving Fund is the services received from Information Canada.

The Chairman: So they receive $170,000 more than expended because the services would cancel out?

Mr. MacDonald: That is right.

The Chairman: Down at the bottom you show a grant of $20,000. Why do you show that as a special item? This is an item not required for 1973-74.

Mr. MacDonald: All grants are shown in the estimates, Mr. Chairman.

The Chairman: Yes, but I am wondering why you show a grant which does not exist?

Mr. MacDonald: Because we want to maintain continuity between one year's estimates and another.

The Chairman: Could you tell me the method by which a lease of property is approved?

Mr. MacDonald: The Department of Public Works has the authority to enter into leases on the part of the government. I am a little unsure as to your question, Mr. Chairman.

The Chairman: I am thinking specifically of the leases for the six information centres.

Mr. MacDonald: The Department of Public Works would enter into the leases. If has a general mandate to provide accommodation for government operations. I suppose it would depend on local circumstances, but they would look for premises which suit an information outlet. The Department of Public Works would then have the authority to enter into a lease once they found suitable premises.

The Chairman: Would there have to be pre-approval on the part of Treasury Board with respect to the cost of the lease?

Mr. MacDonald: I would imagine for an information outlet the amount would not be sufficient to require specific Treasury Board approval. There are particular cases where the item is not straightforward and, therefore, would have to come before Treasury Board for approval.

The Chairman: Otherwise, it would just be a normal part of the departmental budget?

Mr. MacDonald: That is right.

The Chairman: What is the amount requiring Treasury Board approval?

Mr. MacDonald: If it was on a tender basis and they were taking the lowest tender, the amount would be very large. In general, amounts requiring Treasury Board approval for capital expenditures are $250,000 and over. I am merely relying on logic rather than on memory, but I think that the leases would be somewhat proportional to that. We can get this information for you.

The Chairman: I should like to be informed as to the policy regarding leases and the control exercised over a department such as Information Canada entering into leases and how they budget for them.

Hon. Mr. Drury: I think Mr. MacDonald indicated that the individual department would not have the right to enter into leases.

The Chairman: Yes, but apparently they have the right to instruct the Public Works Department to find them accommodation.

Hon. Mr. Drury: Yes, and they have a veto on what is proposed. In some cases, they are offered a choice. The actual search for the lease and the terms of the lease, and the contracting is the responsibility of the Department of Public Works.

The Chairman: I am referring specifically to some of these leases. The one that is the most outstanding is a lease in Montreal which involves an annual payment of $229,223. This is a 10-year lease and it also included $250,-000 for alteration costs. The rate on that lease is $25 par square foot which, as you know, is the very, very top commercial rate. I am wondering what control Treasury Board and/or Public Works exercises over that kind of commitment.

Mr. MacDonald: We will provide you with the general policy for these leases.

The Chairman: Thank you.

Are there any further questions?

Mr. Cocks: Mr. MacDonald, a little while ago you mentioned that you received a good deal of worthwhile advice from Information Canada respecting the publication of the booklet *How Your Tax Dollar is Spent.* I am wondering if you could express an opinion as to whether you could have received that good advice from the Queen's

Printer prior to the existence of Information Canada. That might be an unfair question.

Mr. MacDonald: I think it is a little unfair.

Hon. Mr. Drury: As a one-time Minister of Defence Production, speaking from a personal experience, I would say that the answer is "no". The Queen's Printer in earlier days had, I think, great competence in the field of actual production—printing, typesetting, and this type of thing. On the publishing side or the editing side there was considerable élan, if I may use that term, when it came to the mechanics of measuring the market and dissemination. In the old Queen's Printer this ability just was not present.

Mr. Cocks: I am also wondering about the advice you received as to how to set up the book and make it marketable to the public.

Hon. Mr. Drury: There was some of that in the Queen's Printer and subsequently in what is now known as the Queen's Publisher. They do and did produce a lot of useful work in respect of literary questions and also, to some degree, but perhaps not too exciting, in respect of format, and so forth. They tended to be small "c" conservative.

The Chairman: If there are no further questions, I will declare the meeting adjourned. On behalf of honourable senators let me thank the Honourable Mr. Drury, Mr. MacDonald and the other officials for having attended.

The committee adjourned.

APPENDIX "A"

The following is provided relative to Senator Everett's enquiry as to the work of the Creative Units within Information Canada for the period January 1, to May 31, 1973.

Creative Officers provide the skill and expertise required to implement ideas. Their talents range from writing and editing to audio-visual and public relations. Their services are used both internally—to project Information Canada's own programs—and externally, in service to other departments.

Creative Officers work in tandem with Departmental Liaison Officers whose functions are as follows:

1. The maintenance of liaison with departments and agencies in order to identify areas where any one or a combination of services may be provided to expedite the solution of a given problem;
2. The provision of professional advice to client departments; to recommend initiatives to be taken by Information Canada's Creative Units.

RECENT ACTIVITIES OF CREATIVE UNITS (Jan. to May 1973)

Project	Client Dept.	Service/Program	Status
1. International Navigational Congress (July, 1973)	D.P.W.	Providing public relations counsel and co-ordinating conference arrangements for 8 departments involved	Continuing
2. Commonwealth Heads of Government Meeting (Aug. 1–10, 1973)	External	Co-ordination and support in publishing and printing design, and provision of Enquiry Services	Continuing
3. R.C.M.P. Centennial	Solicitor General	Public relations counsel	Continuing
4. Scientific and Technical Information Resource centres	External	Counsel and research of comprehensive listing of Centres	Completed
5. County Program Reviews	External	Professional assessment and counsel	Continuing
6. Review and proposals for new Canadian Government publishing Policy and procedures	T.B.S.	Special task force leadership; recommendation to T.B.S.	Continuing
7. Resource assessment for effective Bilingual Publishing Policy and procedures	T.B.S.	Survey of departmental situations; compilation of results; recommendation to T.B.S.	Continuing
8. Organization of the Government of Canada	Privy Council	Gathering, co-ordination, production and writing of text	Continuing
9. Federal Identity Program	Cabinet directive	Compilation of administrative manual and policy for Cabinet approval	Continuing
10. Federal Services for Business (publication)	I.T.&C.	Compilation, co-ordination, writing and production of publication comprising services offered by 22 departments and agencies	Continuing
11. Citizen Services (publication)	Information Canada initiative	Compilation, co-ordination, writing and production of publication comprising services offered by 32 departments and agencies	Continuing
12. Survival Kit—1973 (publication)	Information Canada initiative	Compilation, co-ordination, writing and production of publication for out of town students employed by Government	Completed
13. Modular Film Series	Information Canada initiative	Creation and supervision of 7 films on important social issues; for distribution to various T.V. outlets	Continuing
14. Rationalization of use of existing Government audio-visual production facilities	Information Canada initiative	Survey of departmental facilities; proposal for their use on a regularized basis among all departments	Continuing
15. Improving effectiveness of Government liaison and support to Canadian librairies through the Canadian Library Association	Information Canada initiative	Survey of libraries' needs; identify where improvements by Government are needed; implement changes	Continuing

INFORMATION CANADA CREATIVE UNIT AND LIAISON MANPOWER (June 12, 1973)

Departmental Liaison Officers	5	(one on extended loan to Regional Operations—Winnipeg)
Creative Units		
English	5	
French	2	

David R. Monk, Director.
Communication Services

APPENDIX "B"

INFORMATION CANADA

NUMBER OF EMPLOYEES WORKING BY LOCATION
AS OF MAY 20, 1973

Headquarters			438
Minister's Office	5		
Director General's Office	4		
Deputy Director General's Office	0		
Assistant Director General's Office	2		
Regional Operations	20		
Research and Evaluation	2		
Publishing—Ottawa	76		
Publishing—Hull	22		
Communications	25		
Expositions	168		
Administration	66		
Internal Audit	1		
Planning	3		
Personnel	21		
Bilingualism	3		
Summer Students	16		
Special Projects	4		
Regional Offices—Canada			116*
Ottawa—			
Enquiries	26		
Bookstore	5		
		31	
Toronto—			
Enquiries	9		
Bookstore	8		
		17	
Montreal—			
Enquiries	10		
Bookstore	10		
		20	
Halifax—			
Enquiries	11		
Bookstore	3		
New Brunswick	1		
Newfoundland (contract)	1		
		16	
Winnipeg—			
Enquiries	10		
Bookstore	5		
Saskatchewan (contract)	1		
Alberta (contract)	1		
		17	
Vancouver—			
Enquiries	8		
Bookstore	7		
		15	
Offices Abroad (Expositions)			7
Paris Office	5		
London Office	2		
GRAND TOTAL			561**

*116 includes 3 persons on contract.

**Excluding Expositions which operate on cost-recovery (Headquarters 168 and Abroad 7) the Grand Total is 386.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS
OF THE
STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

Issue No. 7

WEDNESDAY NOVEMBER 21, 1973

**Complete Proceedings on the Supplementary Estimates (A)
laid before Parliament for the fiscal year
ending March 31, 1974**

REPORT OF THE COMMITTEE AND APPENDIX ATTACHED THERETO

(Witnesses: See Minutes of Proceedings)

26357—1

STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman;*

The Honourable Herbert O. Sparrow, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.
Carter, C. W.
Côté, Jean-Pierre
Croll, David A.
Desruisseaux, P.
Everett, Douglas D.
*Flynn, Jacques
(*Ex officio*)
Giguère Louis de G.
Grosart, Allister
Laird
Langlois, L.
*Manning, Ernest C.
*Martin, Paul
(*Ex officio*)
Paterson, N. M.
Phillips, O. H.
Prowse, J. Harper
Rowe, F. W.
Sparrow, Herbert O.
Welch, Frank C.
Yuzyk, Paul

(Quorum 5)

**Ex officio Member*

Order of Reference

Extract from the Minutes of Proceedings of the Senate of Thursday, November 8, 1973:

"With leave of the Senate,

The Honourable Senator Langlois moved, seconded by the Honourable Senator Martin, P.C.:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (A) laid before Parliament for the fiscal year ending the 31st March, 1974.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier
Clerk of the Senate

26357—1½

Minutes of Proceedings

Wednesday, November 21, 1973.

Pursuant to adjournment and notice the Standing Senate Committee on National Finance met this day at 9.30 a.m. to consider Supplementary Estimates (A) for the fiscal year ending March 31, 1974.

Present: The Honourable Senators Everett (Chairman), Carter, Flynn, Grosart, Langlois, Manning, Phillips, Sparrow and Yuzyk.(9)

Present, but not of the Committee: The Honourable Senators Fournier and Perrault. (2)

In attendance: Mr. J. H. M. Cocks, Director of Research.

WITNESSES:

From the Treasury Board:

The Honourable C. M. Drury,
President.

Mr. Bruce A. MacDonald,
Assistant Secretary.

The Treasury Board undertook to furnish several answers to questions by members of the Committee. The said answers to be printed as an appendix to the subsequent proceedings on the Estimates.

It was *Agreed* to leave in the hands of the Chairman the drafting and presenting of the Report together with $1.00 items appended as an appendix to his said Report.

At 12.30 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Gérard Lemire,
Clerk of the Committee

Report of the Committee

Wednesday, 21st November, 1973.

The Standing Senate Committee on National Finance, to which were referred Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31, 1974, has in obedience to the order of reference of Thursday, 8th November, 1973, examined the said Supplementary Estimates (A) and reports as follows:

Witnesses heard by the Committee were The Honourable C. M. Drury, President of the Treasury Board, and Mr. B. A. MacDonald, Assistant Secretary, Program Branch, Treasury Board.

These Supplementary Estimates total $1,004,716,768 of which $8,783,522 are non-budgetary items, that is to say, loans, investments or advances. Budgetary expenditures total $995,933,246 of which $527,662,840 are statutory items. The total Estimates for the fiscal year ending March 31, 1974 are increased to $20,291,231,533.

The Committee notes with concern the increasing size of Supplementary Estimates in recent years. The following table indicates this trend:

RECENT HISTORY OF SUPPLEMENTARY ESTIMATES
(Millions of Dollars)

	Supplementary Estimates (A)				Supplementary Estimates (B)			
Fiscal Year	Voted	Statutory	Loans Investments Advances	Total	Voted	Statutory	Loans Investments Advances	Total
1967-68	111.0	0	65.8	176.8	281.6	0	6.4	288
1968-69	0	0	0	0	151.9	0	70.4	222.3
1969-70	66.4	0	24.8	91.2	216	0	41.6	257.6
1970-71	293.1	195.8	172.2	661.1	28.9	43.0	196.6	268.5
1971-72	361.9	198.1	312.0	872	231.0	35.0	5.0	271
1972-73	473	0	817	1290	203	122	110	435
1973-74	468	528	9	1005				

Of the budgetary expenditures, the larger statutory items are as follows:

1. Finance—$147,290,000: Additional fiscal transfer payments to the provinces under the British North America Act, the Federal-Provincial Fiscal Arrangements Act and other statutory authority because of higher tax yields.
2. Finance—$59,000,000: Additional charges on the public debt due to higher interest rates.
3. National Health & Welfare—$222,000,000: Increases in the Family Allowances and Youth Allowances Programs to $12 per child.
4. National Defence—$78,640,000: Payment towards an actuarial deficiency in the Canadian Forces Superannuation Account based on the regular five-year assessment of the actuarial deficiency of that account.

5. Transport—$27,200,000: Payments to the railways for maintenance of passenger services and uneconomic branch line services pursuant to the provisions of the Railway Act.

Of the budgetary expenditures, the larger voted items are as follows:

1. Manpower & Immigration—$151,900,000: The carryover and extension of the 1972-73 Local Initiatives Projects and for the costs of the 1973-74 Local Initiatives Projects to be borne in this fiscal year.
2. Veterans Affairs—$65,000,000: Increased pensions and allowances to veterans.
3. Agriculture—$52,790,000: Payments to subsidize the price of fluid milk and milk powder to the consumer.

These Supplementary Estimates do not include the additional increases to an average of $20 per child in family and youth allowances previously announced by the government, nor do they include the cost of the program subsidizing the price of bread.

The Committee examined various items contained in these Supplementary Estimates and received answers to their questions from the Treasury Board officials. In the case of eight items, answers were not immediately available and the Treasury Board officials agreed to provide material as soon as possible. The questions for which answers are to be supplied are as follows:

1. With regard to the Department of Justice allowance, are the beneficiaries of this allowance being paid now or is payment being held up until passage of these supplementary estimates? How many people are being held up in terms of being paid this allowance or, in general, how is this situation being met?
2. Could the Committee have a tabular breakdown of the Estimates between federal transfer payments to other governments and direct federal payments to individuals? Could you also show the total federal expenditures on its own programs, i.e., payments from the federal purse to the private sector for goods and services?
3. Unemployment Insurance benefits are now taxable. Can you forecast how much additional tax revenue this will generate?
4. With regard to the new Family Allowances, could Mr. Drury present a precis of the whole scheme?
5. There was a press report that a Kitchener group of homosexuals were funded by Opportunities for Youth to produce a manual on homosexuality. Is this true and, if so, what excuse is there for it? Please provide full information on this project.
6. What percentage of LIP projects funded to date have resulted in unsatisfactory audits?
7. The Minister of the Environment undertook to amend existing legislation under which fishing vessels subsidies are made. Does the first item in the Supplementary Estimates under "Fisheries and Management Research Contributions", on page 30 of the Supplementary Estimates, mean that the Minister no longer intends to amend the legislation?
8. What is the present deficit in the Unemployment Insurance Fund?

The Committee discussed with the President of the Treasury Board the recent report of the Economic Council of Canada and more specifically the following two recommendations contained therein:

1. We recommend that the growth of government transfer payments to individuals not exceed an average yearly rate of approximately 11 per cent during the period 1973-76.
2. We recommend that the federal and provincial governments establish, for themselves and for the public sector as a whole, one or more indicators of the desirable level of increase in public expenditures for a three-year period. To this end, we recommend that they entrust the preparation of background documents to the continuing committee of officials on fiscal and economic matters or to the Economic Council of Canada.

The President of the Treasury Board stated that the government was examining the feasibility of these recommendations but noted that their implementation would require an agreement with the provincial governments. Such an agreement is presently being sought in respect to the escalation in hospital and medical care costs.

The Committee discussed with the President of the Treasury Board the Local Initiatives Program, the Opportunities for Youth Program and the Company of Young Canadians. The Committee is concerned that many items in these programs constitute unnecessary expenditures of public funds and that some of the sillier items tend to create a public attitude that government money is available for almost any project as a matter of right. The President of the Treasury Board reported that the departments concerned and the Treasury Board are studying the cost effectiveness of the Local Initiatives Program and the Opportunities for Youth Program as well as the grant procedures. The President of the Treasury Board indicated that he would consider a recommendation of the Committee to add the Company of Young Canadians to this study. Your Committee is of the opinion that following its present study of Information Canada, serious consideration should be given to a detailed examination by the Standing Senate Committee on National Finance of the cost effectiveness of the Local Initiatives Program, the Opportunities for Youth Program and the Company of Young Canadians.

The witnesses filed an explanation of the $1 items in the Supplementary Estimates (A), which is attached as an appendix to this report. The Committee expressed its repeated concern that in Schedule E of the explanation of $1 items the Supplementary Estimates are being used to amend existing legislation. The Committee strongly recommends against this practice and suggests that in the majority of cases amendments to legislation should be carried out by the normal parliamentary procedures.

Respectfully submitted.

D.D. Everett,
Chairman.

APPENDIX

EXPLANATION OF ONE DOLLAR ITEMS IN SUPPLEMENTARY ESTIMATES (A), 1973-74

Estimates Division
November 1973
73-22

SUMMARY

The one dollar items included in these Estimates have been grouped in the attached schedules according to purpose.

A. One Dollar items authorizing the deletion of debts due the Crown—3 items.
B. One Dollar items for grants—7 items.
C. One Dollar items authorizing transfers from one vote to another—4 items (includes one item for Indian Affairs and Northern Development which is also listed in Schedule B).
D. One Dollar items which authorize amendments to previous appropriation acts—9 items (includes two items for Industry, Trade and Commerce which are also listed in Schedule C).
E. One Dollar items which specifically amend existing legislation other than appropriation acts—3 items.

SCHEDULE A

ONE DOLLAR ITEMS AUTHORIZING THE DELETION OF DEBTS DUE THE CROWN—3 items.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Vote 25a—Authority is requested to delete an uncollectable debt of $6,295.44

Explanation—It is proposed to write-off a debt incurred by the Department in its Northern Natural Resources and Environment Activity. The Department has been unable to collect this debt due to the financial condition of the company. This amount has been examined and approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

VETERANS AFFAIRS

Vote 5a—Authority is requested to delete certain debts due amounting to $74,580.53.

Explanation—To write-off the accounts of some ten debtors. Six of these are for debtors who have died with no known estate, three are for debtors who are considered to be indigent and one is for a liability which is not admitted and for which further collection expenses are not justified. The write-off of these accounts have been approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

Vote 45a—Authority is requested to delete a debt amounting to $31,090.21.

Explanation—To write-off an outstanding debt of a debtor who has died leaving no known estate. This write-off has been approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

SCHEDULE B

ONE DOLLAR ITEMS FOR GRANTS—7 ITEMS.

ENVIRONMENT

Vote 25a—To authorize grants totalling $46,000.

Explanation—The additional funds will be used to provide for the following grants:

(1) Chemical Institute of Canada—to provide a grant to assist in the cost of a symposium to be held on the Control of Insect Pests—$1,000.

(2) Creston Valley Wildlife Management—to provide a further $30,000 to this authority in order to effect a more equitable Federal-Provincial distribution of costs. The Department has already provided a grant of $25,000 to assist the authority with its operating expenditures—$30,000.

(3) Festival of Forestry—to provide an additional $15,000 to assist with the cost of the Festival (formerly the British Columbia Festival of Forestry). The Department has already provided a grant of $5,000—$15,000.

Source of Funds—Vote 25—Contributions provided for Environment Management Services will be less than originally forecast.

EXTERNAL AFFAIRS

Vote 10a—To authorize grants totalling $69,500.

Explanation—Additional funds are requested to provide for the following grants:

(1) Emergency Fund for the Westman Islands—to provide assistance to the volcanic disaster relief fund for the Westman Islands in Iceland—$62,500.

(2) Altantic Council of Canada—to provide an additional $5,000 to assist the Council in meeting its higher costs for public information and conference activities. The Department has already provided a grant of $2,500—$5,000.

(3) An additional $2,000 is requested to provide for gifts to countries attaining independence and to mark special occasions—$2,000.

Source of Funds—Vote 10—Contributions under the United Nations Voluntary Fund for the Environment are less than was originally anticipated.

EXTERNAL AFFAIRS—CANADIAN INTERNAIONAL DEVELOPMENT AGENCY

Vote 25a—To authorize the payment of grants totalling $752,050.

Explanation—It is proposed to provide additional grants to the following United Rations Organizations:

(1) International Planned Parenthood Federation—to provide an additional grant to assist with the Federation's work. The current Estimates provide for a grant of $1,230,100.—$252,050.

(2) United Nations Relief and Work Agency—to meet higher costs incurred in caring for Palestine refugees in the near East. The current Estimates provides for the payment of a grant of $650,000.—$500,000.

Source of funds—Vote 25—Funds are available as a result of less than anticipated payments to International Organizations.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Vote 35a—(This item also included in Schedule C) To authorize the payment of a grant and contributions totalling $754,700.

Explanation—It is proposed to pay the following grant and contributions:

(1) Yukon Prospectors Association—to assist with the preparation of briefs in connection with proposed amendments to the Yukon Quartz Mining Act—$1,000.

(2) Government of the Northwest Territories—to assist in the provision of an arena for the community at Frobisher Bay—$300,000.

(3) Government of the Northwest Territories—to cover the cost of completing its 1972-73 Federal Labour Intensive Projects Program—$238,700.

(4) Government of Yukon Territory—to cover the cost of completing its 1972-73 Federal Labour Intensive Projects Program—$215,000.

Source of Funds—Vote 25—$453,700.—Funds are available due to the deferral of certain Constitutional Studies and Territorial Municipal Services Impact Studies and reductions in the level of operations elsewhere within the program.

—Vote 30—$300,000.—Funds are available due to delay in the construction of the Resource Management Building at Yellowknife.

—Vote 35—$999.—Forecast expenditures for the amortization portion of the Transfer Grant to the Northwest Territories will be less than expected.

Vote 70a—To authorize grants totalling $40,000.

Explanation—The following grants are proposed:

(1) It is proposed to provide assistance in the form of scholarships to assist university students selected by the Department for post-graduate studies in resource conservation, outdoor recreation and other similar fields—$30,000.

(2) National and Provincial Park Associations in Canada—to provide financial assistance to a non-profit organization which assists the Department in the promulgation and comprehension of Parks Canada Policies and Plans through its participation at public hearings—$10,000.

Source of funds—Vote 70—funds are available due to the operating costs of certain parks being less than anticipated.

NATIONAL HEALTH AND WELFARE

Vote 45a—To authorize a grant of $100,000.

Explanation—It is proposed to provide an additional grant for family planning services. The number of applications for financial assistance received has been greater than was expected . The present Estimates provides for grants totalling $1,150,000 to assist in the family planning services and other projects in this area.

Source of funds—Vote 40—Funds are available due to contracts having been cancelled or delayed for the production of information materials. Some of this information is now being provided by the various applicants.

SECRETARY OF STATE—NATIONAL MUSEUMS OF CANADA

Vote 90a—To authorize a grant of $55,000.

Explanation—to provide a grant to the University of Toronto Press to meet the deficit which is expected to be incurred in the production of "Mammals of Canada".

Source of Funds—Vote 90—Funds are available due to the delay in negotiations for grants with qualified students engaged in graduate courses in the history of Canada art, and lower than expected expenditures for catalogue assistance.

SCHEDULE C

ONE DOLLAR ITEMS AUTHORIZING TRANSFERS FROM ONE VOTE TO ANOTHER—4 items (includes one item for Indian Affairs and Northern Development which is also listed in Schedule B).

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Vote 35a—(This item is also included in Schedule B) Amount of the transfer to this vote $753,700.00.

Explanation—The additional funds will be used to provide for payment of the following contributions.

(1) Government of Northwest Territories—to assist in the provision of an arena for the community of Frobisher Bay—$300,000.

(2) Government of the Northwest Territories—to cover the cost of completing its 1972-73 Federal Labour Intensive Projects Program—$238,700.

(3) Government of Yukon Territory—to cover the cost of completing its 1972-73 Federal Labour Intensive Projects Program—$215,000.

Source of Funds—Vote 25—$453,700.—Funds are available due to the deferral of certain Constitutional Studies and Territorial Municipal Services Impact Studies and reductions in the level of operations elsewhere within the program.

—Vote 30—$300,000.—Funds are available due to a delay in the construction of the Resource Management Building at Yellowknife.

INDUSTRY, TRADE AND COMMERCE

Vote 1a—(This item is also included in Schedule D) Amount of transfer to this vote $1,764,931.

Explanation—The additional funds are required for the following reasons:

(1) Metric Commission—The additional funds will be used to hire staff and to provide for associated expenses which are required to meet the increased workload resulting from the promotional work necessitated by the Commission's program—$626,800.

(2) Additional funds are required to provide for the operating expenses and staff required by the Canadian Trade and Tariffs Committee in order that if may obtain the views of all interested Canadians including Provincial Governments, Businesses, Consumers and Labour as part of the process of developing Canada's objectives for the multilateral trade negotiations which is currently underway—$127,500.

(3) Defence, Industry and Productivity—Industry Modernizations for Defence Exports Program—funds are requested for the deletion of the unpaid balance of a loan provided to a firm under this

program. This contract has now fallen into the default—$55,831.

(4) Regional Offices—Additional funds are required to cover the cost of upgrading and expansion of the existing Regional Offices and the opening of a new office in St. John's Newfoundland—$338,000.

(5) Trade Commissioner Service—Additional funds are required as the result of the devaluation of the Canadian dollar and the increased cost of operations abroad—$616,800.

Source of Funds—Vote 10—Funds are available from the PAIT Program disbursements which are now forecast to be less than was expected.

Vote 32a—(This item is also listed in Schedule D)—Amount of the transfer to this vote is $1,699,999.

Purpose—This additional amount will be used to provide for payments under the two-price wheat program based on the bushels sold for human consumption in Canada in 1972.

Source of Funds—Vote 35—funds are available as the forecast contribution to the Brazilian Government for construction of grain silos at grain importing and distribution points in Brazil will be less than expected due to construction delays.

REGIONAL ECONOMIC EXPANSION

Vote 11a—Amount of transfer to this vote $14,999,999.

Explanation—These additional funds are requested to provide for forecast contributions required as the result of the extension of economic expansion and social adjustment assistance to all areas of Canada rather than the designated areas.

Source of Funds—Vote 10—contributions within this program are expected to be less than originally forecast.

SCHEDULE D

ONE DOLLAR ITEMS WHICH AUTHORIZE AMENDMENTS TO PREVIOUS APPROPRIATION ACTS—9 items (includes two items for Industry, Trade and Commerce which are also listed in Schedule C).

FINANCE

Vote L13a—To authorize an extension to the vote wording so as to permit Loans made under the Winter Capital Projects Program which are to be consolidated after March 31, 1976 to include interest accrued thereon to the date of consolidation.

Explanation—This extension is requested to enable the Government to capitalize interest which may accrue on loans made to the same debtor and to permit the consolidation of these loans into one loan. If these loans were not consolidated the interest, in some cases could prove to be a financial burden to the debtor.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Vote L81a—To authorize an extension to the vote wording so as to extend the purposes of the Working Capital Advance Account to cover the acquisition and management of stores required for the operation and maintenance of the canals.

Explanation—This extension is required since the present National Parks Act does not permit the use of the Working Capital Advance Account to finance the stores operations under the Canals Activity.

INDUSTRY, TRADE AND COMMERCE

Vote 1a—(This item is also included in Schedule C)—To authorize through an extension to the vote wording the reimbursement of the Department for the unpaid balance of a loan totalling $55,831.40.

Explanation—The proposed revision to the vote wording is requested to authorize the write-off of a loan provided for the purchase of equipment to assist an industry under the Defence Industry Productivity Program. The equipment has been repossessed due to the termination of the contract by default and the Department has not been successful in finding a purchaser for this equipment during the past fiscal year.

Vote 32a—(This item is also listed in Schedule C)—To authorize additional funds required for payments to Canadian Grain Producers in 1973-74 based on the number of bushels of wheat sold for human consumption in Canada in 1972.

Explanation—The original estimate for 1973-74 as to payments under the two-price wheat program was made prior to the receipt of official figures. As a result, the number of bushels sold for domestic human consumption in Canada in 1972 was higher than expected.

LABOUR

Vote 1a—To authorize through an extension to the vote wording the expansion of the Adjustment Assistance Program to cover displaced workers in the leather footwear and tanning industries.

Explanation—Authority is requested to enable the Department to enter into agreements to provide Adjustment Assistance Benefits to displaced workers which become unemployed as a result of implementation of the Leather Footwear and Tanning Industries Adjustment Program.

REGIONAL ECONOMIC EXPANSION

Vote 1a—To authorize through an extension to the present vote wording the transfer without cost of the Bow River and St. Mary irrigation projects to the Province of Alberta.

Explanation—This authority is requested so that the Minister may transfer without cost to the Province of Alberta all assets of the Bow River and St. Mary irrigation projects. This transfer is in accordance with negotiated Canada-Alberta agreements signed earlier this year, in which it was agreed to transfer to Alberta all rights and interests in the property.

TREASURY BOARD

Vote 7a—To authorize the deletion from the Accounts of Canada of the Reserve for Retroactive Salary Increases.

Explanation—Authority is requested to delete the Reserve for Retroactive Salary Increases for 1969/70 and 1970/71 established by the Treasury

The Standing Senate Committee on National Finance

Evidence

Ottawa, Wednesday, November 21, 1973

The Standing Senate Committee on National Finance, to which was referred the Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31, 1974, met this day at 9.30 a.m.

Senator Douglas Everett (*Chairman*) in the Chair.

The Chairman: Honourable senators, in the consideration of Supplementary Estimates (A) for the fiscal year ending March 31, 1974 we are honoured to have with us the Honourable C. M. Drury, President of the Treasury Board, and Mr. B. A. MacDonald. If there are no immediate questions, I will ask Mr. Drury if he has a statement to make to the committee prior to your questions.

The Honourable C. M. Drury, President of the Treasury Board: Mr. Chairman, I have a brief statement. If it would help honourable senators lead into the questions, I will read it.

The Chairman: Indeed, it would help.

Hon. Mr. Drury: These first supplementary estimates seek parliamentary approval of an additional $1,005 million for the fiscal year 1973-74, made up of $528 million in statutory expenditures, $468 million in budgetary items to be included in the next Appropriation Act, and $9 million in loans also to be included in the next Appropriation Act.

These relatively large supplementary estimates are made up mainly of a few items which reflect changes in the forecasts of statutory expenditures or the costs of measures the government has taken to mitigate the effects of rising prices, or to provide employment.

The larger statutory items are:

—Additional fiscal transfer payments to the provinces of $147 million which arise because of higher tax yields, the direct consequence of a rising, growing economy.

—an additional $59 million in debt charges for higher interest rates;

—higher Family Allowance and Youth Allowance payments requiring an additional $222 million;

—a payment of $79 million towards an actuarial deficiency in the Canadian Forces Superannuation Account based on the regular five-year assessment of the actuarial deficiency of that account;

This, I would add parenthetically, is, to use our terminology, a non-cash item. This is merely an accounting item.

—$27 million in payments to the railways for the maintenance of passenger services and uneconomic branch line services.

Those are all statutory items, so-called.

The large items which Parliament will be asked to vote upon include:

—$152 million for the carry-over and extension of the 1972-73 Local Initiatives Projects and for the costs of the 1973-74 Local Initiatives Projects to be borne in this fiscal year;

—$65 million for increased pensions and allowances to veterans; and

—$53 million for payments to subsidize the price of fluid milk and milk powder to the consumer.

I should mention two items you might expect to find in the supplementary estimates but which are not here. First, these supplementary estimates provide only for the amendments to the Family and Youth Allowances Acts that raise the benefit payments to $12 per child. They do not provide for the amounts involved in the amendments to these acts which are now before a committee of the House, since their inclusion would amount to anticipating an act of Parliament.

Second, you will not find any entry for the program which subsidized the price of bread. This will be the subject of separate legislative action.

An explanation of all the one-dollar items in these estimates has, as usual, been made available to you.

If there are any questions, I or Mr. MacDonald will be delighted to answer them, Mr. Chairman.

The Chairman: Thank you, Mr. Drury.

Senator Grosart?

Senator Grosart: Mr. Drury, it is good to see you here. My first question really relates to the report of the Economic Council. I am not going to get into the welfare situation, but I was very interested in the recommendation.

> That the federal and provincial governments establish, for themselves and for the public sector as a whole, one or more indicators of the desirable level of increase in public expenditures—

I believe they said, for the next three years. Are you contemplating anything along that line?

Hon. Mr. Drury: I am not quite sure what you have in mind in relation to indicators.

Senator Grosart: Well, the Council does not spell it out. They say one or more indicators, but there has been a good deal of discussion of the kind of indicator that could be used as controls, or red-light items.

Hon. Mr. Drury: We also have a number of indicators which, to some degree, are the basis of forecasts, pretty highly sophisticated ones, in the economic sphere and rather less developed in what we might call the social area. Work is going ahead on the part of a number of

Board from the Accounts of Canada. This Reserve is no longer required since collective bargaining procedures are now developed to a point where retroactive salary payments can be provided within annual appropriations.

Vote 15a—To authorize an extension to the vote wording so as to permit payment to the Unemployment Insurance Commission of the cost of developing bilingualism in that Agency.

Explanation—Authority is requested to enable the Commission to be reimbursed for the cost of developing bilingualism in accordance with the Government's announced policy.

Vote 20a—To authorize an extension to the vote wording so as to permit the payment to employees of their share of the premium reduction under the Unemployment Insurance Act.

Explanation—Authority is requested to amend the wording of this vote to permit the payment to employees of their share of the employer unemployment insurance premium reduction to be charged against it. This reduction is granted under the Unemployment Insurance Act in respect of employees who are entitled to accumulate sick leave credits, the payment of which would reduce the liability of the Unemployment Insurance Commission to pay sickness benefits.

SCHEDULE E

ONE DOLLAR ITEMS WHICH SPECIFICALLY AMEND EXISTING LEGISLATION OTHER THAN APPROPRIATION ACTS—3 items

JUSTICE

Vote 1a—Authority is requested through this Vote wording so as to enable the Minister under the Judges Act to reimburse District Court Judges for all travelling expenses incurred in performing duties at a place other than that at which they are obliged to reside.

Explanation—The present Judges Act provides for the payment of a maximum travelling allowance of $500 per annum to district Court Judges in Ontario. This was found to be insufficient to cover travelling expenses of District Court Judges who regularly travel to judicial centres which are located some distance from the centre at which he resides. It is therefore proposed to reimburse these judges on the same basis for travelling expenses as county court judges.

NATIONAL HEALTH AND WELFARE

Vote 50a—To authorize an increase of $2,000,000 in the Statutory aggregate amount of payments that can be made under the Fitness and Amateur Sport Act.

Explanation—This increase in statutory ceiling is required to permit the provision of additional assistance to foster increased participation of Canadians in sport and fitness activities at all levels of endeavour, whether competitive or not.

VETERANS AFFAIRS

Vote 30a—To authorize an amendment to the Pension Act so as to enable the Canadian Pension Commission to accept and administer property and money bequeathed or donated in trust to the Commission for the benefit of pensioners and their dependents.

Explanation—The present Pension Act does not enable the Canadian Pension Commission to accept and administer properties and moneys bequeathed or donated in trust. Authority is requested to enable the Commission to accept and administer properties and moneys conveyed to the Commission in trust for the benefit of pensioners, their dependents and any other persons.

agencies in an attempt to develop rather more meaningful social indicators and refine those which we now have. I believe those economic indicators are pretty well known to most people. An example of work being carried out in connection with a social indicator is an attempt to redefine, or to recalculate, or to better understand the unemployment index, which appears to a great many not to have the same meaning it did some years ago and, perhaps in the current social context anyhow, to be rather misleading in its numbers.

This is the kind of situation in which better understanding of the realities, as distinct from carrying forward traditional uses, seems to be desirable.

Senator Grosart: The impression I gained was that the kind of indicators they were speaking of perhaps did not go quite that far into the whole area of social indicators in the cost-benefit sense, but rather to controls. As you are aware, Mr. Minister, this committee has in former times recommended that the total level of government expenditure should not exceed the total increase in the GNP. From the context, I think this is the area they are in, of comparing GNP increases with personal transfer payments.

I am more interested, however, in the possibility of the federal government establishing indicators and saying, "Here is the projected increase in the economy and productivity, the GNP and other such indicators. We will relate these to our spending intentions."

You have, I believe, a continuing committee of officials on fiscal and economic affairs. What do they do?

Hon. Mr. Drury: They are engaged in the preparation of analyses of performance, which they endeavour to keep as current as possible, and in both forecasts and projections of current trends. They have, as one might expect, a vast mass of data on which to work and they are developing a series of econometric models, which are becoming more and more complex, taking more and more factors into account. We are endeavouring to refine these to the point at which they can be useful instruments, but they are at the present time, at best, just indicators of what might happen if certain steps are or are not taken, as the case may be.

However, as I mentioned, these are mostly econometric and the problem lies not so much in the economic field, I would suggest, as in the social field.

We now know, and have statistics published in this connection, the total proportion of GNP which is collected and spent by governments as distinct from the private sector. The varying ratios of this total appropriated and spent by municipal, provincial and federal levels of government amounts to what has been, over the past few years, an increasing fraction of the GNP transacted through government, as distinct from private mechanisms. This has been measured and is known. There is an indicator of this kind, and our experience has been that the levels of expenditure in relation to GNP have been rising rather more rapidly in the municipal and provincial fields than in the federal field, while the federal increase has been rather more modest than those of the provincial and municipal levels of government. We have been trying to exercise the kind of restraint that you have been calling for.

The Chairman: Mr. Drury, the Economic Council, in its Tenth Annual Review, makes two recommendations that impinge directly on government spending policy.

Recommendation No. 2 on page 71 reads as follows:

> We recommend that the growth of government transfer payments to individuals not exceed an average yearly rate of approximately 11 per cent during the period 1973-76.

Recommendation No. 3 reads as follows:

> We recommend that the federal and provincial governments establish, for themselves and for the public sector as a whole, one or more indicators of the desirable level of increase in public expenditures for a three-year period. To this end, we recommend that they entrust the preparation of background documents to the continuing committee of officials on fiscal and economic matters or to the Economic Council of Canada.

Senator Grosart: The second is the one I quoted, Mr. Chairman.

The Chairman: Indeed, yes. This is a supplementary to your line of questioning. The answers I seek, Mr. Drury, are: first,, do you agree that recommendation No. 2—that is, the 11 per cent increase in transfer payments—should be sought by government? And, secondly, do you agree that the indicators should be developed by either the committee of officials on fiscal and economic matters or the Economic Council of Canada?

Hon. Mr. Drury: I was rather long-winded on what indicators were. I think that the Economic Council is perhaps talking about targets and not indicators. They themselves have proposed a target—they call it indicators—and suggest that the federal-provincial governments jointly establish targets in this field. The target they propose is for transfer payments not to exceed 11 per cent.

There are a number of othe areas in which government expenditure can rise or fall. In addition to this proposal for the target they have proposed for transfer payments, a similar set of targets should be established by the federal and provincial levels of government in other fields as a positive mechanism in seeking restraint in this increasing slice of GNP going to governments.

The establishment of targets is obviously something that is desirable. Indeed, it is difficult to engage in intelligent or even intelligible fiscal planning unless you do establish targets of some description. We have encountered some difficulty in doing this, first, from lack of previous experience, and, secondly, because the rate of economic and social change has been accelerating quite rapidly, and we have discovered that it becomes increasingly difficult to establish long-range plans to which one can adhere. This applies particularly in an area where there are a number of different levels of government involved, all of whom are to some degree competing for the same pool of resources, each eager to see its mandate filled to the fullest possible extent.

I would agree that it is desirable that we work towards this. Endeavours are already under way, and have been for some time, to achieve it.

Senator Grosart: I took it that the Economic Council used the term "indicators" to suggest that we should have some figures, and therefore some policies, to indicate where we are going, particularly in the relationship between all

federal government spending, in relation to the burden you have mentioned, and the share of the GNP that is appropriated by th public sector.

We seem to have almost reached the 40 per cent figure much sooner than anyone predicted. Do you think there is, or should be, a relationship based on indicators, and therefore, as you say, targets, to find out at what level the continued increase in public sector spending will start to defeat itself?

The Economic Council suggest that we may have reached this point. It points out, for example, that increased public spending means increased taxes, and that any increase in taxes falls most heavily on the low-income groups. It even goes so far as to say that you may already be defeating the purpose of those who are trying to help with the social spending.

Hon. Mr. Drury: I agree with you.

Senator Grosart: I come back to my original question: Will you accept this recommendation and set up some kind of control or restraint system that will tell you where we are going and warn you as to where we are going? By "you", I mean in relation to all public spending.

Hon. Mr. Drury: I can merely express the hope that we shall be able to achieve this. But first we have to get, in decisive targets, agreement among the three levels of government on what is desirable. As honourable senators are aware, there are periodic meetings of the Minister of Finance and provincial treasurers, the purpose of which is to try to sort out and get agreement on targets.

Honourable Senators will recall the series of meetings with the Minister of Finance at which proposals were made for controlling the rate of growth of expenditure on health delivery systems. The federal government has, over the past three years, made a number of proposals seeking agreement on both a technique of control and a target. We have also initiated an arrangement in respect of expenditures in the field of post-secondary education. So far, we have not been able to secure the agreement of the provinces on either targets or the technique. There is perhaps not too much objection to the technique, but there is difficulty in accepting the targets. For me to say that the federal government will do this means that we are being asked to provide a guarantee if the provinces will agree. So far we have not succeeded, but we are endeavouring to proceed in this direction.

Senator Grosart: For many years we have heard a great deal about the spending power of the federal government as a lever to take over certain fields—grey area fields particularly, and some that are not so grey. Are there examples in the estimates before us of the use of the spending power for this kind of purpose?

Hon. Mr. Drury: Reference here to spending power is made in the constitutional framework?

Senator Grosart: Yes, in the constitutional sense.

Hon. Mr. Drury: We will be initiating new programs over which jurisdiction is claimed by virtue of the so-called spending power of the federal government. The family allowance program, perhaps, is one of these where it is not too clear that under the Constitution, as it is now written, there is a specific, explicit power to engage in this kind of direct payment to an individual. We have for a number of years been making payments to all classes of Canadians right across the country, in areas which might be interpreted as either property or civil rights, or welfare generally, and the authority for so doing arises, really, out of what you call the spending power of the federal government.

I do not think there are any new programs in here which are launched on that basis.

Senator Grosart: One final question, and it is a chestnut as far as I am concerned.

When I look at the dollar items, I see there are three which, in effect, amend existing legislation. Just taking them as a whole, I am wondering if it is necessary to proceed by way of votes in supplementary estimates to make these changes. Was there any urgency? Could these not have come forward as amendments to the act—that is, vote 1a in Justice, vote 50a in National Health and Welfare and vote 30a in Veterans Affairs?

I have always been concerned about the use of supplementary estimates to amend existing legislation.

The Chairman: You are on what schedule, Senator Grosart?

Senator Grosart: The last page, actually, Mr. Chairman.

You will see, Mr. Minister, on the summary page, these are described in Schedule E as Follows:

> One Dollar items which specifically amend existing legislation other than appropriation acts—3 items.

The Chairman: You are referring to the final page of the submission, Senator Grosart?

Senator Grosart: Yes. That is vote 1a in Justice, vote 50a in National Health and Welfare, and vote 30a in Veterans Affairs. There does not seem to be any urgency in connection with these. I am at a loss to understand why it was necessary, once again, to amend legislation by votes in supplementary estimates. I can understand that being done when absolutely necessary, but these seem to be very clear cases where you could have just brought in amendments to the act. I do not think they would have been held up in Parliament. They are simple amendments, sound amendments. Why do we proceed this way once again?

Hon. Mr. Drury: Well, I am very conscious of the fact that the legislative program, certainly of the House of Commons, is a rather heavily charged one as it is now. To take the second one, the increase of $2 million in the statutory amount authorized for payment in the Fitness and Amateur Sport Act, we have a number of programs which already have been launched and are carried out under parliamentary authority and appropriation act, or a series of appropriation acts. This happens to be one where there is a special statute, a little more elaborate than an appropriation act. It is a matter of some urgency to raise the statutory limit imposed some years ago.

As nothing is being changed other than the dollar figure, an appropriation act—given the fact that it is subject to the procedure through committee and final passage by the house gets—the scrutiny it would have were the act itself amended. I would heartily agree that if we are changing in substance the act itself, then it should be done by way of an amending bill to the act. But in this case all that is being changed is the amount; the other terms and conditions remain the same.

The Chairman: Thank you.

Senator Grosart: I hope you will go a step further and show the actual total of federal government expenditures on federal government account; that is, obligations the federal government has assumed for itself, excluding those transfers to governments in connection with which the federal government is merely a collector.

Hon Mr. Drury: I take it that you really mean payments from the public to the private sector, whether this be individuals, or groups, or whatever it is?

Senator Grosart: That is right.

Hon. Mr. Drury: Those are the expenditures that count. If one takes the case of health delivery systems, we spend, as is shown in our spending accounts, 50 per cent of the cost of all of these. Provincial government accounts show expenditures of 100 per cent of the costs. On that basis we can arrive, because of these transfer payments and confusion as to what is meant by "expenditure," at a total of 150 per cent. However, you are interested in the transfer from the various levels of government, from the public to the private sector.

Senator Grosart: That is right.

The Chairman: That is goods and services, is it?

Hon. Mr. Drury: Goods and services.

Senator Carter: Your $1.004 billion total amount of the estimates breaks down into roughly 47 per cent to be voted and 53 per cent statutory. The Economic Council has cautioned you to refrain from spending generally and, particularly, in the welfare sector. The only room you have to manoeuvre, apparently, is in that 47 per cent of your budget, if this is the pattern that holds true for the general estimates.

Have you carried out any research in connection with the statutory items to ascertain the rate of escalation over a period of years in those items? Senator Grosart suggested that the expenditures should be in line with the increase in Gross National Product. Are your statutory items keeping place with the Gross National Product, out-pacing it, or what has happened?

Hon. Mr. Drury: Perhaps we should understand the definition of a statutory item . Parliament authorizes, in every case, all expenditures. This can be done by one of two methods. One is in the form of a special statute, such as the Fiscal Arrangements Act, which provides either named series of payments, rates of payments, or a formula. There is no discretion in the executive to vary either the amount of the payment, the rates, or the formula without returning to Parliament with, as Senator Grosart suggests, a separate bill relating to that statute. The amounts which are payable and which have been paid under these statutes, the budgetary process, if one can term it so, is one of forecasting, not of exercising any discretion at all.

The other form of authorization is through the appropriation acts, which allow, in most case, a considerable measure of discretion to the executive, the administration, to control and restrain these expenditures without returning to Parliament. We have these two types. There has not been any hard philosophy as to whether an expenditure should be authorized by a separate, distinct statute, like the fitness and amateur Sports Act, or a program initiated and authorized through an appropriation act. We have no clear pattern.

I do not think there have been many cases where a statute has been repealed and the process of operational control transferred from the statute to the appropriation act. We have had some cases when the reverse has been the case.

Senator Carter asks whether they have been keeping pace. Because there is no pattern, it is a little hard to discern any real tendency. All I can say is that some statutory programs have rates which perhaps have not kept pace with the changing social and economic circumstance, and we find that expenditures are rising probably much more rapidly than the Economic Council would like. There are others which, in their enactment, have produced a rigidity and lack of adaptability. There has not been poper accommodation to change, and consequently expenditures have perhaps not grown as much as would have been desirable in order to achieve the objectives of the statute itself. They are continually being reviewed and changed, and this is what crowds the parliamentary timetable.

Senator Carter: Your forecasts under statutory items are much more accurate than your forecast of expenditures on non-statutory items. If you have to retrench somewhere, it is in the non-statutory items that you have to cut back rather than the statutory items.

Hon. Mr. Drury: The administration can cut back very much more rapidly, with a greater degree of flexibility, on budgetary items than it can on statutory items. The only way we can cut back on statutory items is by coming to Parliament.

Senator Flynn: It is not very often that you have done that, that you have cut back.

Hon. Mr. Drury: Well, Mr. Chairman, I am not sure that we have an unbridled record of success, but attempts have been made. I would cite our attempts to control, to restrain, the rate of growth in health delivery expenditures generally. It has been a consistent, persistent, if not entirely successful campaign.

Senator Flynn: Is that statutory or budgetary?

Hon. Mr. Drury: The authority for this arises out of a specific act of Parliament authorizing agreements with the provinces convering . . .

Senator Flynn: But you have control outside of Parliament on this amount. You can spend more or less, but under the ceiling established by the appropriation act.

Hon. Mr. Drury: No, we have no discretion at all. We are required, under the act and under the agreement entered into as a consequence of the act, to pay 50 per cent of the amounts spent by the provinces. They determine . . .

Senator Flynn: Their program has not to be approved by the federal government before you agree to continue this 50 per cent?

Hon. Mr. Drury: Provided it is within the framework of the act, it does not require federal government approval.

Senator Flynn: You have to follow the decisions of the provinces in this respect, but there is no ceiling?

Hon. Mr. Drury: There is no ceiling. It has been our endeavour to try to establish a ceiling.

Senator Grosart: That would apply only to the open-ended grants. Some are not open-ended.

Hon. Mr. Drury: Some are not open-ended. In some cases—fitness and amateur sports is a case in point—a ceiling has been imposed by Parliament.

The Chairman: Honourable senators, we shall have to pass on, as there are other honourable senators who are anxious to ask questions.

Senator Grosart: Might I clear up one point? We are using the terms "statutory" and "budgetary," and we are not clear on them. All of the items that Senator Carter inquired about are statutory. We have three divisions. The first is budgetary, which is broken down into statutory items, to be voted. They are all voted, of course, but I mean they are to be voted now, in this Appropriation Act. What Senator Carter may really be asking is whether the rate of growth of supplementary estimates has gone ahead at a greater rate than the main estimates. This is a matter of concern, because increasingly we seem to be faced with the use of supplementary estimates in order to obtain money. Supplementaries used to be sort of emergency items. The figure for supplementaries is now up to $1 billion.

Hon. Mr. Drury: I have here a document entitled "A Recent History of Supplementary Estimates," which sets forth in tabular form the amounts of Supplementary Estimates (A), which normally come in the fall, and Supplementary Estimates (B), which come just prior to the end of the fiscal year, in March. It is divided between voted statutory loans and advances. In 1971-72 the Supplementary Estimates (A)—this is the fall estimates—totalled $872 million; in 1972-73, last year, Supplementary Estimates (A) totalled $1,290 million; and in the current year the figure is $1,005 million. It is hard to detect the trend in that. This year is higher than two years ago but lower than last year. Supplementary Estimates (B), 1971-72, totalled $433 million; 1972-73, $435 million; and we have yet to see the amount of Supplementary Estimates (B) in the current fiscal year.

Given the introduction of the new scale of Family Allowance payments, there is likely to be a fairly large item in the final supplementary estimates to cover that single feature. But it is rather hard to indicate a pattern or tendency. This is a direct consequence of measures taken at the end of the summer to meet the rather unusual rate of price escalation in this country. Thank God we do not have this every year. Again, I would not suspect that we shall be increasing our social payments every year to as large a degree as we are with this special measure relating to the family allowances.

Senator Grosart: My point is that the use of supplementaries indicates to some extent *ad hoc* financing rather than planned, which we assume is the situation in the main estimates.

Hon. Mr. Drury: Mr. Chairman, let me assure honourable senators that they are all planned. It is really a question of the time frame. The main estimates are constructed, really, as much as possible to run to two years in advance of the final payment being made, and quite a lot, in this day and age, can change over a two-year span. This is the framework of the main estimates. Adjustments to this two-year anticipation are and should be reflected in the supplementary estimates.

Senator Manning: You mentioned a vote in the supplementary estimates for payment to the provinces. Most of this amount is under the equalization formula, I believe you said. Are these larger eqalization payments the result of an increase in revenues, or have there been any actual changes in the formula with respect to equalization payments?

Hon. Mr. Drury: The formula is incorporated in the Fiscal Arrangements Act, a specific statute. The formula can only be changed by amending that statute. So that these amounts of money shown here are the product of the formula as currently in the statute. If we change the statute, then the formula will be changed and the amounts, again, will vary from those presently forecast.

Senator Manning: Under the Manpower and Immigration Department there is quite a substantial supplementary of $152 million for "Development and Utilization of Manpower—Contributions." This is at page 76. Could you enlarge a little on what that is all about? The reason I ask is that the total of the previous estimate was only $274 million. We now have a supplementary of $152 million, which is a very substantial increase—more than 50 per cent.

Hon. Mr. Drury: Most of these, Mr. Chairman, represent amounts for the LIP program. The LIP program was initiated as a measure largely related to unemployment and to have its major impact during the winter months. The winter, unfortunately, does not end as conveniently as we would like at the end of the fiscal year. Consequently, the winter employment program will have expenditures related to two fiscal years.

The estimates fo the last fiscal year carried parliamentary authorization for expenditures in the last fiscal year, but did not authorize any expenditures in the current fiscal year. This item picks up the carry-over of last year's winter program, plus the extensions which were made during the course of the current fiscal year, plus the previously announced winter program for 1973-74.

Senator Manning: Has the LIP program become regarded as a permanent type of program? Initially, I believe, it was rather experimental.

Hon. Mr. Drury: We are now engaged in a serious study on the continuation of two programs having largely the same objectives, one being rather more related to the winter, LIP, and one rather more related to the non-winter months, OFY. We are studying these programs to determine how we can take advantage of the experience we have gained from these experiments, as you call them, to establish a co-ordinating, comprehensive program which would combine the best features of both and which would be on-going.

There are some clear social benefits accruing from these programs, and I think one would like to see them continued. In the meantime, the two programs have continued to be run separately, under two different government departments. In the current winter, because of the relationship of LIP to unemployment, there will be a substantial reduction in the amount proposed for LIP because of the improved employment situation.

Senator Manning: Would it be correct to say that the experience of those programs to date shows them to be

tions, and the pattern is unclear with respect to all parties. Some have no arrangements at all.

Senator Phillips: Basically, the point concerning a great many people is that this is being used to give the members of the House of Commons a pay raise without dealing with the subject, which, as you are well aware, sir, can be rather a touchy subject, particularly before a general election. For this reason, I think it should revert to legislation and that the legislation should include termination when a general election is called.

I feel it is rather unfair that a sitting member should receive an office and staff at the expense of the taxpayer while a candidate who is not a member receives no assistance whatsoever from the federal government. I feel that this vote has created a rather unfair situation, and I would ask you to consider legislation rather than a supplementary estimate.

Hon. Mr. Drury: If I might be permitted to respond to that, the suggestion that this is unfair and should terminate with the calling of an election belies the main purpose of the establishment of these offices. These are not for electoral or partisan purposes. The object is to establish a federal presence in the constituency; to match, if you like, the competition for attention and time which the representatives of other levels of government are engaged in for the interest of and service to the people in the constituency. This does not end with the calling of an election, and it is really unrelated to political parties.

I think all parties in the federal Parliament subscribe to the notion that the federal Parliament, the federal government, is an important, useful institution. If the purpose of these offices were to confer an advantage on the sitting member over a candidate, purely part of the electoral game, I would agree with you 100 per cent, but that is not the purpose.

The Chairman: Mr. Drury, I was under the impression from the newspaper article that, indeed, there was a termination provision in respect to the staff help anyway. I doubt if you could terminate the office that quickly, but I was under the impression that there was a termination provision for the staff.

Hon. Mr. Drury: The general arrangements contemplated, Mr. Chairman, are to ensure that this will not be a disguised pay raise or a pecuniary enrichment of the member.

The premises will be provided for the use of members through the mechanism of a lease entered into and paid for out of these funds but by the Department of Public Works. There will be no disbursements made through or by the member. He will be provided—just as he is with stationery and pencils and the rest of these things—with office space in his constituency. The member will also have the assistance of an employee of the House of Commons—not his employee but an employee of the House of Commons. That employee will not be paid by the member but will be paid by the House of Commons.

Such employees will be under the same terms and conditions as the sessional staff of the House of Commons, who in some numbers, in any event, cease to carry out their functions during the holding of a general election.

One is very conscious of the undesirability of this being, either in fact or being seen to be, another device for putting money into the hands of MPs. It will not do this.

Senator Manning: Does this provision apply to members of the House of Commons here in the Ottawa region who are available through their offices here in the Parliament Buildings?

Hon. Mr. Drury: Mr. Chairman, in so far as it is necessary to have an office unrelated to their official office in the House of Commons, they will be entitled to one within the constituency.

When one talks about the Ottawa region, most members, even in the local area, would prefer, particularly over the weekends when the greatest contacts are established with their constituents, as is the case for most Members of Parliament, to do this in something other than their office in either the Centre Block or the West Block or the Confederation Building.

Senator Carter: I gather from what you have said, Mr. Drury, that the Department of Public Works will provide the building, the House of Commons will provide the staff and equipment, and that there is no money going directly to any Member of Parliament. What about travelling expenses of this staff? Is there any contingency for that or are they just fixtures there in that office?

Hon. Mr. Drury: I think the intention would be, Mr. Chairman, that they would be, if one may call it such, "fixtures"—some of them would resent that expression—part of the equipment; but I do not think the provision of travelling expenses to this staff is contemplated. This envisages office staff rather than a personal, travelling representative.

Senator Carter: Are telephone calls charged up to government accounts?

Hon. Mr. Drury: For members we now have arrangements for telephonic communication at public expense. We have a series of arrangements to try to equalize, to the extent that it is possibe, the differing circumstances of rural as against urban, central as against remote constituencies. I do not think that the establishment of these offices would call for any change in those arrangements.

Senator Phillips: I am not entirely convinced that these offices will not be used for partisan purposes. I would suggest that the minister have a look at some of the functions of the House of Commons' offices. He will see how many of them are partisan and non-partisan. I think he would find the same situation in the constituency offices.

On page 150, under Treasury Board, vote 15a reads as follows:

> Public Service Bilingualism—To extend the purposes of Treasury Board Vote 15, Appropriation Act No. 4, 1973, to authorize payment to the Unemployment Insurance Commission for the purpose of this Vote.

This is to authorize payment to the Unemployment Insurance Commission for the cost of bilingualism. I am wondering why the UIC rather than any other commission. Did they forget to ask for this fund, or is it that the government does not wish the cost of bilingual training to be taken out of the contributions?

Hon. Mr. Drury: I would ask Mr. MacDonald to give you the technical explanation of that, Mr. Chairman, if I may.

Mr. B. A. MacDonald, Assistant Secretary, Program Branch, Treasury Board: The original vote 15, Treasury Board, in the main estimates read as follows:

> Public Service Bilingualism—Subject to the approval of the Treasury Board to supplement other votes for the purpose of developing bilingualism is the Public Service.

Now, according to the Financial Administration Act, the employees of the UIC form part of the Public Service, but there is no vote in the estimates for the UIC, since its expenses are paid out of UIC accounts. So this is a technical adjustment to permit crediting the UIC account with an amount which would be used for the same purposes as this vote is for other departments.

Senator Phillips: In other words, it is a technical correction.

The Chairman: Senator Perrault? Supplementary?

Senator Perrault: Just a supplementary. It may not be directly on the point, but in view of the fact that unemployment insurance benefits are not taxable, is the minister able to state the amount recoverable to the treasury through taxation?

Hon. Mr. Drury: I cannot. I am just wondering how easy it would be to compute.

The Chairman: Would you like to see if the information is available, to be sent to you, Senator Perrault?

Senator Perrault: Yes. I would be quite interested.

The Chairman: Would that be possible?

Hon. Mr. Drury: Yes.

Senator Phillips: One further question, and then I will pass, Mr. Chairman; I realize I have had the floor for a number of minutes. Is there any item in these estimates to deal with the energy crisis?

Hon. Mr. Drury: No, in specific ways. There will be specific measures proposed to the House of Commons—indeed, some already have been—to deal with the energy crisis, and there will be others; but I cannot point to any item in here which has as its sole or, indeed, main purpose dealing with the energy crisis.

Senator Phillips: Good.

The Chairman: Thank you, Senator.

Senator Sparrow: On the increase in family allowance, the increase in the supplementary estimates is for a $12 figure. Am I correct in saying that is a $12 increase in the youth and family allowances?

Hon. Mr. Drury: If I may interrupt, it is not a $12 increase, but an increase to $12.

Senator Sparrow: Correct. And you made reference to the fact that possibly, and even probably, in Supplementary Estimates (B) the $20 figure would be made up?

Hon. Mr. Drury: The additional funds required to finance the increment from $12 to $20 will be provided in Supplementary Estimates (B).

Senator Sparrow: Would you explain to me what part the provinces have to play at the present time in that up-to-$12 figure, if any, and what part they are playing in the figure of up-to-$20, or the $20 figure that will be forthcoming for family allowances? The reason I ask this question is that you were referring to the necessity for a federal presence, or the advisability of having Members' of Parliament constituency offices to help create a greater federal presence. It seems to me that on the federal scene we are losing a federal presence by the taking over by the provinces of some programs, and I have heard announcements on the radio that such-and-such a provincial government has decided that the family allowances will be $20, as such. Do they really have control over what that amount will be? It takes away the federal presence; that is what concerns me.

Hon. Mr. Drury: This is quite a complex situation. Perhaps I can be forgiven if I oversimplify it. The $12 is paid entirely by, and at the sole discretion of, the federal government. This is a purely federal payment. The new arrangement does contemplate—and just incidentally, in terms of a federal presence, the execution of this program is carried out by means of—a federal cheque, monthly, to the recipients. Under the new program there will be a federal contribution, if I can put it this way, averaging $20 per entitled child, which may be varied within an average of $20, up or down, by age groups, by the provinces, in agreement with the federal government, to fit this particular kind of social payment into the social program of the province. Some provinces have these, and will wish to vary the amounts of the payment made. Instead of a universal $20 being paid by the federal government, it will vary up or down, within limits, to fit in with the existing or contemplated programs of the provinces; but the amount of this, while it can be varied as between individuals or classes, to meet provincial needs, cannot exceed the $20 average, and the federal payment, which can be supplemented by provincial payments, will be paid by federal government cheque—a cheque issued by the federal government.

Senator Sparrow: Including a provincial contribution? Or would that be a provincial cheque?

Hon. Mr. Drury: I am not sure that this has been determined in every case yet. There can be two cheques, or a single cheque; but, in any event, there is going to be a federal cheque representing the amount of money . . .

Senator Sparrow: The average is $20. So there is no provincial input into that program at all, and no provincial government connection between the recipient and the funds, apart from the recommendation of the method by which it will be paid, to the average of the $20?

Hon. Mr. Drury: It may be that in this program there will be a supplementary provincial cheque as part of the scheme of total family allowances to an individual or a family, in a given province.

Senator Sparrow: No. I am sorry, sir. The $20 basis, though, will be a federal government cheque? That part will be a federal government cheque?

Hon. Mr. Drury: That is correct.

Senator Sparrow: So that once the province makes an agreement as to whether it be a $30 cheque, or a $30 grant, for an eligible individual, once they make that recommendation, it is now back into the hands of the federal program entirely.

do not know. I have not receive one of these, so I do not really know what it is all about, I blush to confess; and without knowing the background of this, I cannot really comment on the matter at all.

Senator Perrault: Is it possible to provide information to the committee on this subject? There has been a substantial amount of press criticism in some parts of the country, and it would be useful to us to separate facts from fiction.

Hon. Mr. Drury: I will be delighted to ask the Secretary of State to provide his comment on this particular incident. What is likely to eventuate is an extract from Hansard, where he is going to be called upon in the House of Commons to comment on this.

The Chairman: He would have more detail, presumably, than just an extract from Hansard. There would be a record showing how the grant was requested and how it was approved? He would have some material on the production of this magazine, details of its distribution. Wouldn't that be available to Treasury Board if they asked for it?

Senator Grosart: The answer given in the House of Common will be complete.

Hon. Mr. Drury: I was going to say that I cannot accept the assumption that the Senate is a more vigorous, interested inquisitor than the Miscellaneous Estimates Committee of the House of Commons.

Senator Grosart: Not on this subject!

The Chairman: We have a request now that the Treasury Board provide the committee with that information. We wonder if you accept the request.

Hon. Mr. Drury: I accept the request and undertake to fill it.

The Chairman: With regard to these requests for information, I was wondering if it would be possible to send the answers to the members of the committee.

Hon. Mr. Drury: I would suggest that we provide it in sufficient numbers, so that it is not duplicated, and you could undertake the distribution. That would be more satisfactory.

Senator Carter: It is unfortunate that this information will not be available to the public. It will be coming only to members; it will not be in our proceedings.

Senator Grosart: We can put it in our report.

The Chairman: It could be tabled at a future meeting of the committee and printed as an appendix to the proceedings of that day.

Senator Phillips: I have a supplementary along the line of Senator Perrault's questioning.

I noticed in last night's press report of a certain lady who had made application for a LIP grant to operate a mobile bordello for lonely men in British Columbia. It occurred to me, Mr. Chairman, that some senators from Western Canada might also like information on that application.

Senator Perrault: Mr. Chairman, in defence of my province, Local Initiatives officials on the West coast rejected the application "with indignation."

Senator Phillips: I am glad to hear it.

Hon. Mr. Drury: I might observe here that this is one of the good consequences, good results, of screening these through local committees. By so doing, this kind of thing is less likely to get under way through inadvertence.

Senator Flynn: Mr. Chairman, I see that the total estimates to date have reached the figure of $20,291,000,000. This is authorization for you to spend that money. What would be the actual amount of money spent in a given year? I suppose we can find the figures of actual expenditures in the Public Accounts. I was wondering what had been the experience over the years with regard to the amount authorized and the amount actually spent.

Hon. Mr. Drury: Mr. Chairman, the figure there varies generally between 1-1/2 and 2 per cent. It has been tending to run rather lower in recent years by reason of the fact that we, the Treasury Board, whenever new initiatives are put forward, or additional expenditures in respect of existing programs are needed or required, have invited departments to look at some of the other expenditures they have planned for, to see whether they can find the initial funds out of other programs, other votes. This, of course, leads to the fairly large number of $1 votes, which, in fact, means authorization to go ahead and do something additional, or something new, but without any new money; it is taken from something else. This tends to cut down the lapse which would otherwise occur. If programs are, for some reason or other, delayed—such as the erection of a building by reason of a strike—the amount of money provided for that would lapse at the end of the fiscal year and would again have to be voted. If they are told to make use of those funds for new things, it decreases the amount of the lapse and makes the total figure rather more accurate than has sometimes been the case in the past. It runs between 1-1/2 and 2 per cent.

Senator Flynn: I recall that we had an interim supply bill in which we discussed estimates of $300 million provided for winter works, of which only $75 million could be spent—that was the forecast at the time—during the current fiscal year. It seems obvious that you are going to have $225 million included in the estimates that would not be spent during the current fiscal year. That is one point I had in mind.

In examining the estimates, we should have an idea of the actual expenditure for the previous year, in order for us to assess what is really being spent. In this case I suggest that the figure would be distorted by $225 million, which would increase your rate of disparity.

Hon. Mr. Drury: In respect of expenditures, Mr. Chairman, the honourable senator is quite right. These are set forth in great detail in the Public Account—in fact, in so much detail as to make them almost unmanageable and unuseable. They come along quite late.

In the past three years we have modified the estimates to provide, in respect of each vote, not only the amount proposed for the current year to which the estimates realte, but also a record of expenditures in the previous fiscal year.

Let us take, for example, the item on page 10-18 of the main estimates, under the heading "Indian Affairs and Northern Development". They are estimates for 1973-74—that is what this is all about. They are forecast expenditures for 1972-73, because these estimates are tabled

before the end of the fiscal year—and expenditures actually made and recorded in 1971-72. So you have the actual expenditure that we know, a pretty good forecast of the year not quite completed but ending, and the prospects for the future. This establishes a relativity which is probably more useful to members than this reference to the Public Accounts.

Senator Flynn: Very good.

Senator Langlois: Mr. Chairman, my question relates to a previous question by Senator Phillips. I endeavoured to catch your eye at the time, but I failed to do so. Before we turn to another subject, I should like to ask this question. In answering a question by Senator Phillips with regard to special measures relating to the present energy crisis, I understood the minister to say that specific measures will be proposed to the House of Commons in the near future.

I was wondering if the reference to the House of Commons was due to a *lapsus linguae* or whether he meant that these two measures would be proposed to the house in the form of a mere statement of policy rather than legislation to be proposed not only to the House of Commons but to Parliament as a whole.

Hon. Mr. Drury: In a word, *lapsus linguae* . There is now on the Order Paper of the House of Commons a legislative proposal, a ways and means motion, covering the imposition of an export tax. So far that is the only legislative measure which has been proposed. However, in addition to legislation there will be—I suggest this is likely to occur first in the House of Commons—statements of policy, of intention, and of announcements, of a variety of administrative measures which do not require legislative action, and agreements reached with the provinces. So there will be, in a sense, all types. With respect to my lapse—I should have said "Parliament"—the announcement will be made both in and to Parliament, and the legislation will be presented to Parliament for parliamentary approval.

Senator Langlois: Thank you, Mr. Minister.

Senator Sparrow: Just to go back to a subject partially covered earlier, Mr. Minister, you mentioned that there was a study being made as to the social benefits of the LIP program and the OFY program, or a cost benefit analysis, or something of that nature. Who would conduct that study?

Hon. Mr. Drury: The study is being done by officials of the Department of the Secretary of State and of the Department of Manpower and Immigration, with some help from Treasury Board— Treasury Board scrutiny.

Senator Sparrow: Is it a special committee?

Hon. Mr. Drury: Well, there is a group of officials who have been given this as an urgent responsibility. We have not organized a discreet task force with special people hired for the purpose.

Senator Sparrow: Might I ask whether the Company of Young Canadians will be included in that same study?

Hon. Mr. Drury: I would not say in any way, except peripherally; not explicitly.

Senator Sparrow: I am reluctant to use the expression, but we have heard very little of the Company of Young Canadians this year. It has suddenly "reared its head" in northern Saskatchewan. There was a statement in the press referring to the Company of Young Canadians which said:

> The Company of Young Canadians (CYC) plans to open an office here, . . .

"Here" being Meadow Lake.

> . . . but no one knows what they plan to do.
>
> Even the CYC's directors are not sure what form the northern Saskatchewan project should take, according to spokesman Stan Stevens.

And further on it says:

> The northern part of the province has been identified as an area of delayed economic growth, . . .

I am concerned about the departments of government spending money in going into areas without any planning. I am just wondering if there might be some area in this cost-benefit analysis where the CYC could be included. Also, perhaps you could tell me if there is such an expression as "delayed economic growth" being used, and what that might be.

Hon. Mr. Drury: Clearly, such an expression is being used. The fact that it has appeared in the newspaper is evidence of that. It is a new one to me. I do not know who coined it. So far it has no place in the official lexicon. Various euphemisms are continually being coined.

I would hope that the Company of Young Canadians, before making up their minds as to taking a particular initiative, would perhaps want to find out what the problems are. I gather from this article that the purpose of this operation is to familiarize themselves with what the problems are before being able intelligently to advance a solution.

Senator Sparrow: It looks like money floating around looking for a place to settle. However, the first question I asked was as to whether or not there could be consideration given to the Company of Young Canadians being included in the study of the two other programs to which you referred.

Hon. Mr. Drury: I shall be glad to look at the practical usefulness of doing so.

Senator Sparrow: Another supplementary, Mr. Chairman.

When would you expect the study to be completed, Mr. Minister, and how would Parliament be informed as to the results of the study?

Hon. Mr. Drury: Well, I suppose the study is really an on-going one, and in that sense is never completed. It is not the production of a document or some kind of object which is finished. The officials concerned are trying to produce an analysis of what has been accomplished; the good and bad things resulting from these programs. The analysis will be looked at and criticized by, if you like, rising levels throughout the hierarchy, and will undergo modification or, indeed, will probably be sent back for more clarification, more elaboration. On the basis of that, the cabinet will then be asked to consider various options in relation to the objectives being sought.

Senator Grosart: We can be reasonably assured that it will be late, in due course.

Hon. Mr. Drury: I hesitate to give such an assurance, senator.

Senator Perrault: Mr. Chairman, with respect to the Manpower and Immigration, supplementary employment, the Local Initiatives Program, this program, of course, is subject to continuing scrutiny and review. Based on past experience, what percentage of projects have been unable to provide satisfactory audits? In other words, what has been the success-failure ratio in the LIP program? What percentage of projects have resulted in unsatisfactory audits with respect to the allocation of funds?

Hon. Mr. Drury: I cannot answer that question right now. I will have to get the number from the Department of Manpower and Immigration.

The Chairman: Is that a request for information, Senator Perrault?

Senator Perrault: Yes, Mr. Chairman.

The Chairman: Senator Grosart.

Senator Grosart: Mr. Chairman, I have two questions arising, believe it or not, from the papers before us. The first refers to External Affairs, vote 25a, which appears, I believe, on page 40.

This is a vote to authorize the payment of grants totalling $752,050, $252,050 of which is for the International Planned Parenthood Federation and the balance going to the refugee relief agency.

My first question is: Why would the grant to the International Planned Parenthood Federation suddenly come as a necessary item in supplementary estimates? I am not objecting to it, but why would it suddenly come as a necessary item in supplementary estimates? One would think that our international obligations in such an area would have been known in advance.

Perhaps I will leave it at that. The grant going to the Agency for Palestine Refugees, I can understand.

Hon. Mr. Drury: Mr. Chairman, in the case of the Planned Parenthood Federation grant, this is a correction of a mistake. The amount was known. It does not say much for the planning . . .

Senator Grosart: Or the parent.

Hon. Mr. Drury: . . . of this operation. It is like trying to catch up after the event. This is the correction of a mistake.

Senator Grosart: I understand that.

Hon. Mr. Drury: The second one represents the usual appeal for additional funds to meet a rather difficult and, so far, insoluble problem. A great many of these refugee operations are funded on a relatively short-term set of assumptions, perhaps more in the hope than in the likelihood that the problem will disappear in a short time, or indeed will become less sizeable in a shorter time period than perhaps a cynic might feel. The tendency really is, in a sense, to, under-fund at the outset most of these kinds of operations.

Senator Grosart: My second question arises from the fact that this is a one-dollar item and the funds are available. The explanation is that they are available because anticipated payments to other international organizations have not become necessary. There is a shortfall in expenditures here. Is this a general fund, or have there been specific international agencies we have provided for that we are not now funding or making grants to?

Hon. Mr. Drury: I will ask Mr. MacDonald if he has the information on where the shortfalls have occurred. I do not have it.

Mr. MacDonald: In the first case it is a straight overstatement of $250,000, so somebody is getting less and somebody is getting more. In the other case, I do not have the detail as to which particular grant has not been paid, but I believe it is not a general fund.

Senator Grosart: So there were some specific anticipated grants that have not developed?

Mr. MacDonald: That is right.

Senator Grosart: My next question arises from Vote 7a under Treasury Board on page 150. I am sure Mr. Drury will want to take some pride in this. It looks now that we are getting some money back—at least, we are not going to spend some money we thought we might spend.

Although I think you have explained this before, would you once more explain this situation of providing money for retroactive salary increases in the Public Service? The nightmare is apparently over.

Hon. Mr. Drury: At the risk of oversimplifying, let me say that in providing for financing salaries in the Public Service, the levels of which were determined by collective bargaining, nominal amounts to finance changes in salaries in the Public Service were provided in the main estimates. The balance forecast internally as the amounts that would be needed to satisfy collective agreements arrived at were contained in a global fund, so that it would be impossible for a bargaining agent to look at the Public Accounts in the estimates and say what the government had in mind about what the outcome would be.

Senator Grosart: No tip off.

Hon. Mr. Drury: No tip off. If, indeed, this is to be real bargaining, as distinct from a purely token ritualisitic dance, this should be done. The amounts provided were for payments in one year for services performed in another year. Consequently, parliamentary authorization was sought for a contingency fund to cover these payments on a non-lapsing basis. Exception was taken to the use of non-lapsing accounts for this type of purpose, and from the date of that request the Treasury Board ceased using this technique for funding the collective agreements. However, in the fund there was already voted the authorization of the government to spend out of this non-lapsing fund an accumulation of, I think, $75 million. I now see it was less than I thought. In 1969-70 it was $19 million, and in 1970-71 another $16 million. It is not $75 million but only $35 million. Under the terms of previous appropriation acts the government was authorized to draw on this fund and spend it for salary purposes. The purpose of this vote is to withdraw that authorization, and in fact the drawing account will lapse.

Senator Grosart: Do I understand that you are providing for any contingencies that might arise in this area now with annual appropriations?

Hon. Mr. Drury: That is correct. The funding of undisclosed increments now comes out of the contingencies

vote by itself, on a lapsing basis, and we have to return to Parliament each year to justify it.

Senator Grosart: If money were required, it is still in the contingency fund but not identified?

Hon. Mr. Drury: Not identified, as such.

Senator Grosart: Would you explain Vote 20a on page 152, under "Treasury Board"? It is an unusual item.

Hon. Mr. Drury: This is so interesting that, if I may, with your permission, I will ask Mr. MacDonald to explain this.

Mr. MacDonald: The Unemployment Insurance Act provides that where an employer in his own arrangements with his own employee provides certain benefits, then the UIC will refund to the employer a portion of the employer's contribution, on condition that the employer in turn gives back at least five-twelfths to the employee. The money to meet this payment to the employee is in Vote 20 of the main estimates, but there is no authority to pay it out to employees. This would provide authority. This is likely to be a continuing provision in forthcoming estimates.

Senator Grosart: In forthcoming supplementaries?

Mr. MacDonald: In forthcoming main estimates.

Senator Grosart: It will go into the main estimates?

Mr. MacDonald: Yes.

Senator Grosart: I should like to know why it has arisen on the National Capital Commission, which I think is the area, is it not?

Mr. MacDonald: No, The Treasury Board.

Senator Grosart: I thought it had come up in a specific case. This is something you are anticipating, or have you had several cases of this?

Mr. MacDonald: In every case, every employee of the government in respect of whom the government pays a contribution to the Unemployment Insurance Commission would be affected by this. The maximum payment in a year can be about $7.

Senator Grosart: Is this not an excellent example of a statutory change that should be made in an amendment to the act?

Mr. MacDonald: Excuse me, that is an amendment to the appropriation act and not the UIC Act.

Senator Grosart: Yes, that is the point. Why not amend the act to make provision for this payment? Statutory provision exists for the obligation, but not for the payment.

Mr. MacDonald: That is right. But, if I may, the original appropriation act for this year provided the money to be paid to the Unemployment Insurance Commission of $1.40 cents per hundred dollars of liable earnings. Part of this money is not due to the UIC, because of provisions of the UIC Act itself. It may be refunded to the employee, and this is to allow the government to do that.

Senator Grosart: Am I not correct in saying that the overall effect is to amend the Unemployment Insurance Act?

Mr. MacDonald: No.

Hon. Mr. Drury: It is to give it effect.

Senator Langlois: What is the basis of this five-twelfths return to the employee?

Mr. MacDonald: Mr. Chairman, I regret that I do not understand the choice of five-twelfths, which seems to be an obscure number.

Senator Carter: I have three short questions, Mr. Chairman, but before I ask them I would like Mr. Drury to clarify the answer he gave Senator Grosart with respect to the $500,000 grant to the fund for the Palestine refugees. Is there an item in the main estimates in addition to the $500,000 in the supplementaries?

Hon. Mr. Drury: That is correct. We have been contributing, Mr. Chairman, through the estimates for a number of years to this particular fund. This represents an increment to the amount proposed in the main estimates.

Senator Carter: I refer now to page 30, where we see towards the bottom of the page:

> Assistance for construction and equipment of
>
> (i) commercial ice-making and
>
> (ii) commercial fish chilling facilities to improve fish quality.

When the bill authorizing these two payments was before the House committee the minister intimated that he hoped to introduce an amendment in respect of the subsidy to fishing vessels. That, apparently, did not work out. Then the minister gave the committee an undertaking that a separate act would be introduced later in connection with the subsidies. Now we have this item in the estimates. Is this another case of legislating by estimates, using an item in the estimates to avoid legislation? The minister did give an undertaking in the first place that he would amend the original act because it would be ice-making and ice-storing facilities. Then, as time was running short and he desired to proceed with that much, he said that he would subsequently introduce another act. That has not been done, but this item now appears in the estimates. Does that replace the legislation promised by the minister?

Senator Langlois: This is legislation.

Senator Carter: I know, but it is replacing the act. In other words, is this another example of legislating by the estimates?

Hon. Mr. Drury: Mr. Chairman, it is legislating in another way in respect of a program which has been brought into being and administered by an appropriation act. The appropriation act is the source of the authority to operate this program in relation to ice. Another separate and distinct act, other than the appropriation act, relates to subsidies for shipbuilding, including fishing vessels. The minister has said he will amend two pieces of legislation: one is the appropriation act which established the ice assistance program; and, the other, the specific legislation which establishes assistance to shipbuilding and fishing vessels.

Senator Carter: I do not think I have made myself clear. We have here two items involving $1,500,000. The one $1,500,000 is covered by an act which was passed last year; the other $1,500,000 is not covered by any act, but

the minister at the time, when the original act was before the committee last year about the commercial ice-making, said that there would be a separate act. Now, is there not going to be an act? Is this going to be the legislation, and has the cabinet abandoned the idea of bringing in a separate act for the subsidies?

Hon. Mr. Drury: I do not think it follows from this that we have abandoned it. Or, to put it another way, to the best of my knowledge, there has been no decision to abandon specific separate legislation for the fishing vessels subsidy. This particular appropriation act, however, represents an accomodation to the current circumstance.

Senator Carter: But this is for capital subsidies not payable pursuant to any other federal authorization. We already have an act which covers subsidies to separate types of fishing vessels, but this one was the deficiency that the minister intended to make up for in the act that we passed last year. For some reason—many reasons, I suppose—it did not happen. Now this is doing what the minister said would be done in . . .

Hon. Mr. Drury: In a separate act.

Senator Carter: Yes.

Hon. Mr. Drury: I do not know the answer to the minister's intentions in relation to amendments to the specific act. I would be glad to find that out, however, and advise the committee or Senator Carter.

The Chairman: Is that satisfactory, senator?

Senator Carter: Yes. It will go to all members? I would like to see this information made public.

Now, at the bottom of page 32, under "Manpower", you have "Total Man-Years Authorized . . . 158." At March 31, 1974 that is going to be reduced to 48. I see that 46 of the 158 are going to be cut out for "Technical" and 64 for "Operational." Have you any information on that? How are you going to dispense with over 100 people?

Hon. Mr. Drury: Mr. Chairman, that is a presentational problem rather than one of apparently wild fluctuation in manpower requirements. I would ask Mr. Macdonald to speak to that.

Mr. MacDonald: The distinction between the two columns is "Total Man-Years Authorized" as opposed to "Planned Continuing Employees on March 31, 1974". "Man-year" covers casual employees and part-time employees, while the "Continuing Employees" are those who are employed without a definite term in mind. So this is reflecting two different control points.

Senator Carter: Yes, but these are continuing employees.

Mr. MacDonald: No, sir.

Senator Carter: At the end of March, 1974 you will have 48 continuing employees. You cannot translate that into what that represents in man-years?

Mr. MacDonald: No. The 158 man-years, senator, will include the continuing employees, but over and above those continuing employees there are people who are hired on a short-term basis; there are casual employees.

Senator Carter: These are left out. Forty-six technical people and 64 operational people are going to be knocked off the rolls between now and the end of March, 1974.

Mr. MacDonald: To put it another way, they are going to be hired for a period of time between now and the end of March.

Senator Carter: These are just temporary employees you are going to have between now and the end of March?

Mr. MacDonald: That is correct.

Hon. Mr. Drury: And they may, Mr. Chairman, be continued beyond the end of March. This just authorizes certain numbers up to the end of March. It is the same for the continuing employees. This provides authority only to the end of March for both continuing and non-continuing employees. And of the total, the mix is: 48 continuing; and the balance, whatever it is, 110, non-continuing; but it does not indicate in any way at all that there is going to be a change, either up or down, in the next fiscal year.

Senator Carter: I see.

The Chairman: Senator Phillips?

Senator Phillips: Mr. Chairman, the last time we considered Supplementary Estimates (A), the deficit of the Unemployment Insurance Fund received considerable attention. What is the present deficit in the Unemployment Insurance Fund?

Hon. Mr. Drury: I should, Mr. Chairman, have these figures at my fingertips. They were announced by the Minister of Manpower the other day in the House, when he announced a change in the employer-employee contribution rates. In this outline—I will get a copy of this statement—he did indicate the balance, the opening balance and the current balance, and a forecast, in respect of what at one time was a surplus in the fund but is now a deficit. I have an idea, subject to correction, that it is currently something in the order of $500 million.

Mr. MacDonald: Between $400 million and $500 million.

Hon. Mr. Drury: In that order; but I will see that you get a copy of the statement.

The Chairman: Are there further questions?

Then, honourable senators, shall we report on the supplementary estimates?

Senator Langlois: Yes.

The Chairman: On your behalf, I would like to thank Mr. Drury and Mr. MacDonald for being with us today. Thank you.

Hon. Mr. Drury: Thank you, Mr. Chairman, for a friendly, productive, courteous reception.

The Chairman: Courteous, anyway.

The committee adjourned.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS
OF THE
STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

The Honourable HERBERT O. SPARROW, *Deputy Chairman*

Issue No. 8

THURSDAY NOVEMBER 22, 1973

Fourth Proceedings on the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974

(Witnesses: See Minutes of Proceedings)

26359—1

STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman*;

The Honourable Herbert O. Sparrow, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.
Carter, C. W.
Côté, Jean-Pierre
Croll, David A.
Desruisseaux, P.
Everett, Douglas D.
*Flynn, Jacques
(*Ex officio*)
Giguère, Louis de G.
Grosart, Allister
Laird
Langlois, L.
*Manning, Ernest C.
*Martin, Paul
(*Ex officio*)
Paterson, N. M.
Phillips, O. H.
Prowse, J. Harper
Rowe, F. W.
Sparrow, Herbert O.
Welch, Frank C.
Yuzyk, Paul

(Quorum 5)

**Ex officio Member*

Order of Reference

Extract from the Minutes of Proceedings of the Senate of Wednesday, February 21, 1973:

"With leave of the Senate,

The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending the 31st March, 1974, in advance of bills based upon the said Estimates reaching the Senate.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier
Clerk of the Senate

Extract from the Minutes of Proceedings of the Senate of Thursday, March 15, 1973:

"The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination and consideration of such legislation and other matters as may be referred to it.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier
Clerk of the Senate

Minutes of Proceedings

Thursday, November 22, 1973.

Pursuant to adjournment and notice the Standing Senate Committee on National Finance met this day at 9.30 a.m. to further consider the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974, Re: Information Canada.

Present: The Honourable Senators Everett (*Chairman*), Carter, Croll, Desruisseaux, Manning, Rowe, Sparrow and Yuzyk. (8)

Present but not of the Committee: The Honourable Senators Molson, Perrault and Smith. (3)

In attendance: Mr. J. H. M. Cocks, Director of Research.

Witnesses on behalf of Information Canada:

Mr. G. R. D'Avignon, Director General;
Mr. A. G. Trickey, Assistant Director General;
Mr. Tom Ford, Director of Regional Operations;
Mr. Don Dadmore, Regional Director for Halifax;
Mrs. Barbara Nickerson, Mobile Officer.

At 12.40 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Gérard Lemire,
Clerk of the Committee.

The Standing Senate Committee on National Finance

Evidence

Ottawa, Thursday, November 22, 1973.

The Standing Senate Committee on National Finance, to which was referred the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974, met this day at 9.30 a.m.

Senator Douglas D. Everett (*Chairman*) in the Chair.

The Chairman: Honourable senators, continuing our examination of Information Canada, our meeting today is to make a more intensive examination of the regional operations of Information Canada. We have with us Mr. D'Avignon, the Director General of Information Canada, on my right. I will ask Mr. D' Avignon to introduce to you the members of his staff who have accompanied him to this meeting. Mr. D'Avignon.

Mr. G. R. D'Avignon, Director General, Information Canada: Thank you, Mr. Chairman.

Honourable senators, Mr. A. G. Trickey is the Assistant Director General, in charge of administration and finance. Mr. Tom Ford is the Director of Regional Operations. I gathered that your questions will be directed mostly to our regional operations and our mobile unit this morning. Therefore, I thought it might be appropriate to have present Mr. Don Padmore, the Regional Director for the Maritimes, from Halifax. He is a native Nova Scotian. Also here is Mrs. Barbara Nickerson, who is our mobile officer in Shelburne and Queens counties. Mrs. Nickerson is not a native Nova Scotian but has lived there for many years and is married to a native Nova Scotian and knows the area very well. With your permission, it might be appropriate to have Mr. Padmore say a few words about the operations in Nova Scotia, and have Mrs. Nickerson tell you how she spends her time, how we try to reach the people and give them information about departmental programs. I also have here Mrs. Lachance, who is my executive assistant.

Mr. Don Padmore, Regional Director for the Maritimes, Information Canada: Mr. Chairman and honourable senators, our job in Nova Scotia is to help departments place information closer to the market, to help provide citizens with information which is specific, which is aimed at their needs and which is in a form which they can understand and use. We also endeavour to provide citizens with the opportunity to ask questions about government programs and to make suggestions about things that are going on, and also to pass on complaints or criticisms when they feel it appropriate.

So, what we are really trying to do is to help put more government departments in more direct contact with more citizens, and to put more citizens in contact with the departments which are there to serve and help them.

In carrying out this activity, we are assisted in Nova Scotia by a number of separate organizations and activities. The first one is an interdepartmental committee. This interdepartmental committee is made up of the representatives of most of the federal government departments in Nova Scotia. It has a membership of 22, 13 of whom are regional directors or regional managers of federal government departments, and nine of whom are senior staff officers.

This committee, which meets about every two months, provides a vehicle whereby I can consult with the representatives of all the government departments in trying to develop Information Canada policies and procedures in Nova Scotia, and can receive their advice. It also provides a forum whereby we can look at information problems which go beyond the responsibilities of a single department. The chairman of this committee is the regional director of Supply and Services, Atlantic; and the vice-chairman of the committee is the regional director of the Public Service Commission. I must say that it has been a very helpful and tremendous source of assistance and guidance to me.

The second thing in Nova Scotia which is of interest and, I think, rather unique, is the Information Canada Centre itself. Because it is a federal-provincial co-located information facility, it has, under one roof, an Information Canada book store, a Province of Nova Scotia book store, an Information Canada inquiry centre, and a Province of Nova Scotia inquiry desk. It has the Nova Scotia travel bureau outlet, and also it has the *Royal Gazette* ; so it is really unique, and it is almost a one-stop centre. With our tie-in with City Hall and the municipalities, a person coming in there does not get very much of a run-around.

Just to talk for a moment or two about the mechanics of how we operate, the book store is just a normal commercial outlet. We carry about 5,000 titles, and the staff is engaged in selling government publications. We also have a documentation activity in the centre, and the purpose of this documentation activity is really to provide a data base from which we can work. We carry probably 700 or 800 free publications from the various government departments there in quantity, that we can hand out to people looking for information and mail out to people who write to us. We also have something very much like the ready reference desk of a library with a great quantity of reference material—vertical files, and that sort of thing.

We also have a communications officer who is a professional information service officer, and his job is to work with departments who do not have information officers of their own, and also to carry out the wishes of the interdepartmental committee, insofar as communication and information programs are concerned.

A project that we are involved in right now arises from the feeling of the federal government departments in Nova Scotia that we really must do something about the

schools, that we really have to get more federal information into the schools. As a consequence, through our communications officer, working with other members of the interdepartmental committee, we are trying to develop a whole plan for improving the federal presence in the schools of the province. This, of course, involves working with the provincial people as well.

Then the communications officer's other job is liaison with the media, and in the course of his duties he has travelled from one end of the province to the other, calling on all the radio and TV stations, newspaper editors, publishers, and so on.

The Chairman: Could I just interrupt there for a moment? This communications officer is not the senior information officer in the region?

Mr. Padmore: No, he is not.

The Chairman: And he is not the mobile officer?

Mr. Padmore: No, he is not. The communications officer in the region is a gentleman we brought on the staff to assist us during this demonstration project. He is an older gentleman, and his name is Mr. W. J. MacLeod. His background, if it is of interest to you, sir, is as follows: he was editor in chief of the *Maritime Farmer* ; he was an editor of the Nova Scotia *Farm News* ; he was registrar and dean of residence of the Nova Scotia Agricultural College; he was director of public relations and advertising for a provincial department, the Nova Scotia Department of Agriculture and Marketing; and he is a member and director of many local organizations. We brought him to work with us for this fiscal year, while we were on a demonstration project.

The Chairman: Well, I will let you continue your statement, but later I will ask you to differentiate between a mobile officer and a communications officer.

Mr. Padmore: The only other thing that we do is to have inquiry officers in the centre itself, and the function of these inquiry officers is to use the data base to answer questions from the public by telephone, to deal with inquiries from people who walk in, from people who write in, and to provide a data base of support to the mobile officers.

Before I go on, I should mention that the dimensions of this organization are really very small. We have seven people who work in the book-selling organization, and then we have a communications officer and two inquiry officers, with secretarial help for them. We have seven mobile officers, their supervisor, and the secretary to the supervisor. Then we have my secretary and myself, and that is the total we are talking about in this project in Nova Scotia.

Senator Carter: Could you tell us what your yearly budget is for that staff?

Mr. D'Avignon: Mr. Chairman, I think Mr. Trickey can supply all the budget figures, but I wonder if it might not be better to wait until after Mr. Padmore finishes his statement, and then we can supply that information.

The Chairman: Is that satisfactory, Senator Carter?

Senator Carter: Yes.

Senator Croll: I may have missed something, Mr. Chairman, but Mr. Padmore keeps referring to "the demonstration." What are we demonstrating, and who is demonstrating what?

The Chairman: Well, I think there were two demonstration or trial programs on the concept of regional development, and more particularly the mobile officer concept. One took place in Nova Scotia and one took place in Manitoba, and Mr. Padmore and Mrs. Nickerson are directly involved in the Nova Scotia program. We are starting off the hearing by having them explain, in considerable detail, how their operation works.

Senator Croll: So long as they tell us what they were demonstrating, what they were trying to get at.

The Chairman: I think that will become clear as we move along, senator. If it does not, you can ask for clarification.

Senator Croll: No, but I thought there had been some evidence before and that I had missed it.

The Chairman: I think there has been some evidence, and perhaps I can ask Mr. Cocks to provide you with that evidence.

Senator Croll: I will get it from the witness.

The Chairman: There is some additional evidence that you might be interested in.

Mr. Padmore: We are operating principally in Nova Scotia using mobile information officers, and these mobile information officers work in areas of the province which are difficult to reach through conventional media means. They place the federal government in direct contact, usually on a one-to-one basis, with many people who would not otherwise be reached by the federal government.

I believe, Mr. Chairman, that the best way to explain this operation would be to have Mrs. Nickerson tell you how she, as a mobile officer, operates on a day-to-day basis.

The Chairman: First of all, Mrs. Nickerson, please tell the committee precisely what your title is.

Mrs. Barbara Nickerson, Information Canada Mobile Officer, Shelbourne and Queens Counties, Nova Scotia: I am the mobile information officer for Shelburne and Queens, for Information Canada.

The Chairman: Thank you.

Mrs. Nickerson: I think the crux of it all is the idea of giving information to people in a form they can use. It is very easy to give the address and telephone number of somebody in a department who can assist a person with their particular problem, but if that person cannot read or write it is not much good giving them the address of somebody who can help them. You have to go a little further and assist them in actually making contact.

The other thing is that it has to be on a personal basis if you are working with somebody who is not adept or is not inclined to go into an office or approach somebody in an office atmosphere. Besides saying to them, "Yes, I think your problem could be handled by this specific department," you must also contact somebody in that department and ask them to make personal contact with the person in question so that that person sort of trusts them. Then they will go into the office and find out what a

particular program can do for them in their specific circumstances.

A very common example of what I mean is programs on aid to illiterates, advertised in large columns in the newspaper, when you know that somebody who cannot read is not going to read that newspaper, and also, people who know he cannot read are not going to go up and say, "Hey, I hear you can't read. There's an illiteracy program that may apply to you," because they are very protective.

In a small fishing community, there might be a group of women looking for a government program to upgrade the quality of life, or, in a more urban setting, it might be a group of businessmen looking for the same information, the same government program, or service of a department; but the resource persons needed for one group would not be the same as the other group would find effective. The type of resource people who go in in a certain circumstance have to be a different type than you would use in another setting. They would both take the same information to the people, but one type of resource person taking this information to a certain group might mean that the information could not be used in the way that they would present it.

Senator Grosart: What is this phrase, "resource person," Mr. Chairman, could I ask?

Mrs. Nickerson: Mr. Chairman, any person who can bring information on program services or who can help somebody is a resource person, whether they come from a government department or any other walk of life. Anybody you can get there to help somebody else is a resource person.

Senator Grosart: A dreadful piece of jargon, if I may say so.

Mrs. Nickerson: What would you suggest as a better word, senator?

Senator Grosart: That is not my job, but I would like to see somebody come up with something better.

Mrs. Nickerson: I think there could be a better word too, but I have not found it.

The Chairman: I have noticed, senator, in the social work field, which I have had something to do with in connection with the Children's Aid Society, that the phrase "resource person" is frequently used.

Senator Grosart: I can understand it in social services which are not very much interested in communication, but we are now dealing with Information Canada, which is another matter. I think it is a dreadful barrier to the flow of information to talk about a "resource person".

The Chairman: Perhaps that is one of the things the committee could do, come up with a new definition of whatever a "resource person" is. However, I think that in the meantime we will carry on using the phrase "resource person", until we come up with something better.

Senator Carter: Why not call them communicators?

Mrs. Nickerson: When I am working in the field I call him "that guy who is going to come in and help you," or "that fellow who is going to come in and explain the program to you."

Senator Carter: Just plain "helper".

Mrs. Nickerson: That is right. So I do not know that it causes any barrier, because it probably is not used all that extensively in the field.

The Chairman: Well, at any rate, we understand the terminology now.

Mr. D'Avignon: Mr. Chairman, I have spent some time with Mrs. Nickerson in Nova Scotia, and I think perhaps she is awed by the surroundings. She does not normally use these words when she is in the field.

Senator Grosart: I don't think she is a bit awed; she is very cool, calm and collected.

The Chairman: Would you like to carry on, Mrs. Nickerson?

Mrs. Nickerson: In the past, when somebody approached a government department and was turned off for some reason or other, that person felt that they had not achieved satisfaction, so they would not normally turn again to any other government department. That was it. They were finished with it. But when I refer them to a government department, even if it does not prove all that satisfactory to them, if there are still some other problems they are not totally satisfied about, they still come back to me for referral to another government department, if they have a different problem; and I do not think that was happening in the past.

Senator Rowe: By "government department" you mean a federal government department?

Mrs. Nickerson: Yes, sir. They seem to accept Information Canada as being neutral; therefore it bridges a communication gap, and so they come back again if they have a different problem to be dealt with by another government department.

My day is made up of telephone calls from various people on various subjects, meetings with various groups of people, going to many places personally because, in many instances, the people who need assistance cannot possibly get to me. I stay in the house one day a week answering the telephone, and I am out the other four or five days of the week, and my husband and children take telephone messages.

Senator Carter: I wonder if you would continue, Mrs. Nickerson, and give us a few examples of the type of inquiry you get and the type of situation you deal with.

Senator Sparrow: I wonder if you could also explain how the people get in contact with you. You cannot really have a sign saying that you are prepared to listen to illiterate people, because they could not read the sign. So how do they make contact with you? Or how do they know you are in the community?

The Chairman: Perhaps, since the initial statement is now finished, we should ask Mr. Padmore to come up here and our questioning can be along the lines of the Nova Scotia project. Then, after that, we can ask Mr. Ford to come up and give us an overall view of the regional undertaking.

Mrs. Nickerson: In answering the questions asked, am I allowed to mention government departments?

The Chairman: Oh, yes, mention anything you want.

Mrs. Nickerson: Well, to give you a specific example of the type of inquiry that comes to me, somebody calls up and says, "Here's a bill, and I know that there's no way I should have to pay $81 for threee hours' work done by an electrician. Isn't there anybody in government who handles something like this?" And I say, "Well, I will put you in touch with Consumer and Corporate Affairs, and you can speak to them about it."

Then another type of call could concern, for example, an immigration case. Somebody will telephone or call at my house and say, "We have to go down and speak to this man, but you know we don't speak very well. Would you go with us and talk to this fellow from the immigration office?" And I say, "If he doesn't mind if I attend the meeting, I will be glad to do so with you."

Senator Carter: These are things you have actually done?

Mrs. Nickerson: Yes, sir.

Senator Rowe: May I ask a supplementary question to that of Senator Carter?

The Chairman: Well, senator, I have a supplementary already from Senator Sparrow as to how Mrs. Nickerson gets in touch with her clients, for want of a better word, especially those who are illiterate. I presume you include in that, Senator Sparrow, the woefully uneducated or other people who normally would not be recipients?

Mrs. Nickerson: Well, first of all, all the comments I have heard about Information Canada hiring Canada hiring somebody from the area have been in the nature of, "Well, that was a real smart thing to do," because immediately people who want to get in touch with me know who I am anyway. And they were hiring people working on a voluntary basis in the communities with voluntary organizations probably doing this kind of thing for these people who need somebody else to assist them.

In addition, the appointment was announced in the newspaper with an explanation of the type of job involved, and we ran a newspaper column using sample questions and answers taken from actual questions which we had received. This was in the newspapers. There were spot announcements on radio, and I maintain a number of bulletin boards in and throughout the community that just give general information on programs and services that are available to people, with my name and telephone number. I leave a couple of hundred of my cards there, and people contact me very often after reading the bulletin boards. Then there also is word of mouth. In fact it is mostly word of mouth. Somebody says, "My sister's girl told me that you helped her with her unemployment insurance, so maybe you could help me because I have a problem with my income tax."

Senator Rowe: Mrs. Nickerson, I thought I heard you use the term "illiteracy program" just now. I am intrigued by that. What program is it?

Mrs. Nickerson: I think it is probably more properly called a literacy program.

Senator Rowe: But I was always under the impression that literacy or illiteracy programs came under provincial jurisdiction, and here you are discussion the federal jurisdiction.

Mrs. Nickerson: I was just using that as an example, senator, of how information can be very proper and very useful information, but it is of no use to the people concerned or the people it is geared to. To advertise a literacy program in a newspaper is not useful to someone who cannot read.

Senator Rowe: You are not identified with any literacy program, as such?

Mrs. Nickerson: No, sir.

Senator Manning: I have two or three interrelated questions. Perhaps I should put them all to Mrs. Nickerson, and she can deal with them all at once.

Do you find fairly widespread reticence on the part of people in approaching both Information Canada and other government agencies? Is there in the public mind reticence about approaching government information sources? And, if so, from your experience there, what do you regard as being the main causes of that reticence?

Finally, to what extent is it the role of Information Canada to attempt to break down reticence and similar attitudes, as compared to merely being available to provide information to those who come, without endeavouring to induce them to do so?

Mrs. Nickerson: I can only speak of my own experience. Most people, when reticent about approaching a government office, have the problem that they feel they will be made fun of by civil servants; for some reason or other they feel they will be embarrassed. For whatever reason it is, they feel that this is a problem for them. To introduce them to people who will help them and to be able to tell them that this is that person's job and he is very willing to assist them in their inquiries makes it easier for them. In some cases they are reluctant because they have never tried it and feel they might be embarrassed, so they are afraid.

Senator Grosart: They are probably right.

The Chairman: I think Mr. D'Avignon would like to add a few words to that answer.

Mr. D'Avignon: Mr. Chairman, I believe that in trying to let people know that the service exists we have played down the role of Information Canada. It is mostly a federal presence, someone who can help get people in touch with the department and the programs which can be helpful to them.

I would like to refer you to the article in the *Globe and Mail* issue during July which has been distributed to you. The program had been really operating only about three months at that time in Nova Scotia. The training took place in March, so it would be three or 3½ months. At that time the feature writer from the *Globe and Mail* found that one-third of the people he spoke to on the street were aware of the work Mrs. Nickerson and Mr. Comeau were doing. This was done in Yarmouth County and Shelburne County. The people did not always identify Mrs. Nickerson and Mr. Comeau with Information Canada and, in my opinion, this does not matter very much when they are identified as persons who could help. I do not know if that clarifies Mrs. Nickerson's answer, but I do not believe we have played up Information Canada as such, but just a federal presence, someone who can be helpful.

Senator Manning: I believe we all recognize that a very large number of people are reticent or, at least, indifferent about approaching government departments for a

variety of reasons such as you have mentioned, some of which are quite specific. My point is, how far does Information Canada envisage its role goes in breaking down the reasons, whatever they are, for people being antagonistic or reticent about approaching sources of information? It seems to me, Mr. Chairman, that this is a huge field in itself. All kinds of information can be made available, but if two-thirds of the population are antagonistic to even going to where the information is, it is just going to sit there. How far do you consider your goal is in attempting to break down the various reasons for people not approaching you?

The Chairman: I wonder if Mr. Padmore could give us his experience, as the regional director.

Mr. Padmore: Mr. Chairman, Information Canada mobile officers do not feel that they exist for themselves in any way. They feel that they only exist to build bridges between existing services, perhaps not quite so remotely extended, and the need, which is an endeavour to reach out to information provided by various government departments. To the extent that we help individuals who in the past have been apprehensive about approaching government departments and agencies to do so with more confidence, we are reducing our own task by that measure, but we are helping the people and the other departments to establish such contact.

The Chairman: That is the objective, but I believe Senator Manning is probing for the methodology.

Mr. Padmore: Perhaps, Mr. Chairman, if Mrs. Nickerson described in detail the methodology of the case which she started to describe involving the electrician and every step that was involved in that case, you will have an example of how that person will now again approach the federal government with confidence. Could we perhaps have that described in detail? It is a good example.

Senator Carter: That was what I wanted in reply to my earlier question. I had hoped that Mrs. Nickerson would follow through, right to the end.

The Chairman: Would that be of value in answer to your question, Senator Manning?

Senator Manning: That would be useful, but I still point out that person did contact Mrs. Nickerson. Those about whom I am worried are the two-thirds of the population who are never going to go near the office, or telephone it, unless something is done to make them aware of the service and break down whatever resistance they have and any other causes which prevent them from approaching the service. In my opinion, that is the problem so far as information is concerned.

Mr. Padmore: Mr. Chairman, the mobile officers do not have offices. The object is to have them fully mobile, so they are not allowed to have offices. Their offices are their cars, or their feet, or if they are not at home, someone at home to take messages. The mobile officers move around the community. In Mrs. Nickerson's case she might be found down on the fish wharves or in the local grocery store, anywhere where people congregate. She will use rather unsophisticated methods of just making up a sign and displaying it in a window, saying "I am Barbara Nickerson, your mobile information officer. You can leave a message here or contact me at home."

The Chairman: You must receive some odd contacts that way!

Mr. Padmore: The point is well taken. As we proceed in this program, we must be more aggressive in making the services and presence of our mobile officers known in the communities in which they work.

Senator Croll: When you speak of people being made aware, I do not know what brought about the change, but in the earlier days if a man had a complaint about, for instance, being overcharged, he generally went to see his alderman or whoever he voted for the last time. Is that practice out of vogue, Mrs. Nickerson?

Mrs. Nickerson: Mr. Chairman, the persons in the community such as you indicate still offer such services as writing letters, and giving other assistance, but I am afraid that even these people have become confused with the multitude of government departments and services and, in turn, are very glad to refer people to me.

Senator Rowe: In any case, would some of your area not be unincorporated? Senator Croll referred to aldermen.

Mrs. Nickerson: Yes, it is a very large area, the municipality stretching over 50 miles in length.

Senator Croll: Yes, but you are not there all the time. You are moving around, aren't you?

Mrs. Nickerson: I am moving at all times throughout the area in which I work.

Senator Croll: How big is the area?

Mrs. Nickerson: The area is about 74 miles long, along the coast, and it does not go back too far.

Senator Croll: You would hit one spot how often?

Mrs. Nickerson: One particular town, one particular community?

Senator Croll: Yes.

Mrs. Nickerson: About once a week, I guess; and more often if they call me in for a meeting at night. Then I would skip their meeting for that weekend.

Senator Croll: Do you mean that you would be at such-and-such a place every Friday?

Mrs. Nickerson: They know that I am home all day Monday. They catch me on Saturday and Sunday too.

Senator Croll: They can telephone?

Mrs. Nickerson: Yes.

Senator Croll: You spoke of the literacy difficulty. How serious a problem is that?

Mrs. Nickerson: I think it is more serious than anyone in government seems to realize. I think there is a higher incidence than they realize.

Senator Croll: Just what does that mean?

Mrs. Nickerson: You mean, what level?

Senator Croll: Yes.

Mrs. Nickerson: I would say that in the area where I am working at least 60 per cent, or better, of the people are

either illiterate or functionally illiterate to the point that they are not practised.

Senator Croll: That figure is pretty high, isn't it?

The Chairman: I suppose it would depend on what you meant by "functionally illiterate."

Senator Grosart: Are talking about Canada?

Mrs. Nickerson: Yes, sir.

Senator Croll: When you speak of 60 per cent, that startles us a little. I think that figure is perhaps a little high. Can you explain what you mean by "functional"?

Mrs. Nickerson: Someone is functionally illiterate if they cannot write a letter to explain to somebody what their problem is. If they cannot write that letter, to make somebody understand what their problem is, as far as I am concerned they are functionally illiterate.

Senator Grosart: You could take in the whole civil service, for that matter!

Senator Croll: Is the figure that you mentioned general to the area that you cover?

Mrs. Nickerson: I would say so, yes.

Senator Croll: I cannot recall your name, sir. You are the regional officer, aren't you?

Mr. Padmore: My name is Padmore.

Senator Croll: You are the regional officer, aren't you?

Mr. D'Avignon: The director.

The Chairman: What is the precise title, Mr. Padmore? Are you the senior information officer for the region?

Mr. Padmore: At the moment, Mr. Chairman, I call myself the senior regional officer.

Senator Croll: You are the regional officer. Keeping in mind what Mrs. Nickerson had to say, what would you say about illiteracy in the area that you cover?

Mr. Padmore: Mr. Chairman, I do not have the statistical answer. My area of responsibility is the Atlantic provinces. I am a native Nova Scotian and I grew up in a small town in Nova Scotia.

Senator Rowe: In that area?

Mr. Padmore: Yes. I grew up in one of the towns in the area that Mrs. Nickerson mentioned. In the last several months I have travelled extensively throughout the whole Atlantic region, and I believe that a good many people have difficulty handling written material. I do not know what "functional illiteracy" is. I am unable to define it myself, Mr. Chairman, and I do not attempt to do so. However, I consider that there is a degree of illiteracy, for our purposes, when material put out by the federal government for the information of citizens is incomprehensible to the citizen for whom it is intended. This is the problem that we must always struggle with in the work that we are trying to do in the mobile operation.

Senator Rowe: Would you think the number is as high as 60 per cent?

Senator Croll: It is not anywhere near that high.

Senator Rowe: I am asking the gentleman who grew up in the area. He should have an idea.

Senator Croll: It could not possibly be that high.

The Chairman: Perhaps we could leave the unanswerable question of illiteracy and functional illiteracy and carry on with your line of questioning, Senator Croll.

Senator Croll: I would like to get back to my original question as to why they went to Information Canada rather than to someone whom they have known, or known of for most of their lives. I was given to understand that the alderman or representative is rather glad to turn over some of the queries to Information Canada. It occurs to me that the man or woman who represents the area at the municipal or county level is much more aware of the problems and those who are likely to be involved than anyone who may come in just once a week. You indicated that they were rather glad to turn it over to you. That I can understand, in some instances, but generally that would not be true—or is it?

Mr. Tom Ford, Director of Regional Operations, Information Canada: I think we are trying to say, as I am sure the honourable senator knows, that there are a number of people who do not understand government programs. I am not using the terms "literacy" or "illiteracy". I am referring to communications which are generally produced in Ottawa, Toronto or Montreal, some of which the people in those areas cannot understand. They cannot understand what their rights are or what they should do. There are a number of people in this category. We are trying to interpret that information for them, to explain what their situation is. Mrs. Nickerson was trying to say that there are a great many people in her area who do not understand. That is the kind of communication problem that we are up against. We have brought people into this job from the local area so that they can understand the problems of the area, so that people will get to know them, and in order that they can help explain government programs to them.

With regard to the second question, senator, we talk to a number of municipal councils. Their problem is that they may be meeting once a week. There are a number of programs at the federal and provincial level, and they get a little confused sometimes as to what they can do as a council. They want to know what LIP means, whether they can apply, where they can apply, who is in charge of those programs, and so on.

There is a plethora of social programs in Canada today, and it is sometimes hard for people to understand them. They are not full-time politicians. They understand the problems of their community, but they have a problem in connecting that with the support offered by senior levels of government. That is where we can provide a useful service to them.

Senator Croll: Have you not just said that the information which comes out of Ottawa, Montreal or Toronto does not get the message across?

Mr. Ford: That is right, senator. . .

Senator Croll: What is being done about that?

Mr. Ford: Mr. Chairman, we try to take that information and put it in such a form that people in those areas can understand what their rights are. In a sense, we are connecting the information with their needs.

Senator Croll: Information that comes from the Health and Welfare Department—it might be a document of some sort—might not be understood in a particular area or perhaps in 15 other areas. Do you bring it to the attention of the Health and Welfare Department and say, "This document, item No. 62, just does not make sense. It should be expressed in more understandable language"?

Mr. Ford: Yes, that is quite right. The program essentially has two benefits. Mrs. Nickerson's job is: first, to explain a piece of information to people in terms which they can understand; and, secondly, to feed back to the department the fact that it is not getting to large areas of this country, that people simply do not understand what the department is talking about. So the program has two benefits. A third benefit which we found is that the local government officials in these areas have to upgrade their level of skills. The people coming to them understand more about the programs. The program officer simply cannot get by with giving them a pamphlet. People are now starting to ask the right questions, so the officials have had to upgrade their level of skills.

Senator Croll: My question is as to what reaction you get from a department when you tell them they have sent out a lousy pamphlet, that no one understands the damn thing.

Mr. Ford: I would say that in most cases, senator, we get a good response from the departments.

Senator Croll: Do you get a new pamphlet?

Mr. Ford: Either the department produces a new pamphlet or we work with the department in producing a facts sheet which attempts to explain the program. We may also use other means of communication. As Mrs. Nickerson has said, we do not always use the written word; we might use radio, audio visual, something of that nature, or even word of mouth.

Mrs. Nickerson: May I add something to that?

The Chairman: Yes.

Mrs. Nickerson: I just want to say that when we talk about somebody being functionally illiterate, that is not a criticism of the person's intelligence.

Senator Grosart: Not much, it isn't!

Mrs. Nickerson: It simply means that he does not have a tool that everybody else uses.

Senator Grosart: If you say that about me, you will not be my friend.

Senator Rowe: He is on your side, Mrs. Nickerson.

Senator Carter: Mrs. Nickerson, you said your territory comprises a coast line skip of about 74 miles. How many people do you serve in that area?

Mrs. Nickerson: In excess of 20,000 people, senator.

Senator Carter: You started by giving us an example. Could you give us a typical example and follow it through to the end result? You did not follow your earlier example right through. We do not know whether the fellow got his bill fixed up or reduced, or what happened, or whether the fellow got his unemployment situation straightened out. Could you give us one or two examples and follow them right through to the end result? I do not want to take up too much time, but . . .

The Chairman: I think one good example would suffice.

Senator Carter: Yes. Follow it right through, and then we will know how the system works.

Mrs. Nickerson: Mr. Padmore was speaking of a specific case earlier. I will not use that example because it has not yet been resolved. That was only a few days ago, and I have not had any follow-through on it.

A similar case would be an old-age pensioner who had no proof of age. This individual never went to school, never had a driver's licence, never bought a life insurance policy, was never married, was never baptized. There was no way in which his records could be obtained. The only way of determining that man's age, of course, was through a census search, and for this man to have made such a search on his own would have been very difficult.

The Chairman: Are you referring to a specific case here?

Mrs. Nickerson: Yes, Mr. Chairman.

The Chairman: Could you tell us how this person got in touch with you?

Mrs. Nickerson: The individual in this case went to his municipal councillor who in turn contacted me by telephone and asked me if I could assist this person, which I did. He is now receiving his pension and has received back pension. I went to see him and interviewed him, following which I filled out his application for pension and had several pieces of correspondence with the department concerned. We made the census search and the national registry search, and finally determined his age.

A week ago he suffered a heart attack and is now in hospital. At this point I continue to go to his place and pick up his cheque and deposit it in the bank for him. We are teaching him how to go to the bank and cash a cheque, and this type of thing.

Senator Carter: You established his age through the census search, is that it? Someone established his age, which was the barrier?

Mrs. Nickerson: That is right.

Senator Carter: You get a wide variety of inquiries and problems, as a result of which you contact numerous departments.

Mrs. Nickerson: Yes, senator.

Senator Carter: Is everything sweetness and light when you approach these departments? Do they rush out to help you, or do you ever run into people who drag their feet, and so on?

Mrs. Nickerson: I try to remain neutral. I refer the person to the department.

Senator Carter: What I am trying to get at is your experience with the departments when you approach them for information. It is a twoway street. What is their reaction to your inquiries?

Mrs. Nickerson: They have all been extremely helpful to me. In establishing myself as doing a job at the local level, I have not received any adverse reaction.

Senator Carter: So you always receive co-operation. There has never been any case where they have been reluctant or unwilling to co-operate with you?

Mrs. Nickerson: There have been such cases, sir.

Senator Carter: That is what I want to get at.

Would it be fair to ask the witness to identify such a department, Mr. Chairman?

The Chairman: A department that did not co-operate?

Senator Carter: Yes.

The Chairman: I do not know that it would be of any value to the committee. If it is of value to you, Senator Carter, then we will put the question to the witness. However, in respect of our own hearings, I do not think that it is germane at this point. If you wish to put the question, then you may.

Senator Carter: I do not want to take up time inquiring into something which we cannot use. My own view is that if we are going to make a report, then we have to give both sides of the picture. If there have been instances of non co-operation, and things like that, I think it would be useful for the public to know about those instances. If we are going to make a statement in our report to that effect, then we should have some evidence to back it up.

Mr. D'Avignon: Mrs. Nickerson is going to have to work in Queens-Shelburne County with these people. I think it might make it very awkward for her were she to identify any individuals who have not co-operated. I would suggest that if you are interested in obtaining such information, Mrs. Nickerson will be very glad to provide it after the hearing.

Senator Carter: It does not matter to me one way or the other, Mr. Chairman. My only concern is that if there is a problem, we should try to do something about it. We cannot just ignore it because it may cause poor relations and hinder Mrs. Nickerson in functioning in that area.

The Chairman: We do not intend to ignore the problem, senator. We will ask Mr. Cocks to interview Mrs. Nickerson, and if it is indicated that there is a widespread difficulty with departments or with a particular department, then I think that would be a subject in which we would have an interest in the report. However, Mr. D'Avignon has indicated that it would be counterproductive to their operation to deal with that subject in an open meeting. If you insist, then we will put the question.

Senator Carter: No, no.

The Chairman: Then, the matter is closed.

Mr. Padmore: I should like to say something in that respect, Mr. Chairman.

Senator Grosart: You said the matter was closed, Mr. Chairman.

The Chairman: With respect, it would probably be wise to leave it closed.

Senator Carter: I should like to ask Mr. Padmore a question or two, Mr. Chairman.

Mr. Padmore, you mentioned an interdepartmental committee. I believe you said there were 22 members, of which 13 were regional directors and the other nine were something else. Were any of these provincial people?

Mr. Padmore: None of the members of this interdepartmental committee is provincial, senator. We have another series of arrangements with the provinces.

Senator Carter: The Province of Nova Scotia has an information service, I understand, which is headed up by a Mr. Dennis who was a member of the Press Gallery here at one time. What is your relationship with that department?

Mr. Padmore: Mr. Dennis is, as you say, the executive director of the Nova Scotia Communications and Information Centre. I meet with Mr. Dennis frequently to discuss the whole question of the interrelations between the federal government information and provincial government information. Our experience has been that you simply cannot draw a nice neat line between what is federal, what is provincial, what is municipal, and what is the private sector. Indeed, it is difficult to think of any real problem that a citizen has to deal with that does not involve all the levels of government, and frequently the private sector. I took one typical case and found that 15 different agencies and departments were involved with one case, going across the entire range of jurisdictions.

We both appreciate the need for close co-operation, which is achieved in a number of ways, First of all, Eric has in the combined co-ordinated centre, where we have our own inquiry offices, a desk, which is an extension of a Nova Scotia Communications and Information Centre. There is the Nova Scotia bookstore operation, which is side by side with the federal bookstore operation. There is a direct telephone line from my inquiry officers to his inquiry officers in his larger centre. There is an exchange of correspondence between us dealing with matters of mutual concern. To show the degree of co-operation, I would point out that in the combined bookstores, which are federal and provincial, there is a single cashier who handles the sales for both levels of government. This is the way in which we are endeavouring to co-operate with each other.

Senator Carter: There are several questions arising out of that. Earlier you mentioned the combined bookstores and combined information desk, which was federal and provincial, even municipal. Are these information desks in the bookstores, or are they in separate localities?

Mr. Padmore: It is one large area.

Senator Carter: You are talking about Halifax now?

Mr. Padmore: Yes, I am.

Senator Carter: Only Halifax?

Mr. Padmore: Only Halifax. It is one large area. They are organizationally separate but physically co-located for convenience. They could have walls between them, but if there is a Nova Scotia bookselling operation and a federal bookselling operation side by side, you just do not put a wall between them. This is the type of situation we have.

Senator Carter: Suppose Mrs. Nickerson, out in the field somewhere in Shelburne County, gets an inquiry about a problem which is not federal at all but is purely provincial, what does she do? Does she contact you? If she does, what do you do, how do you deal with it?

Mr. Padmore: The arrangements with the province are laid down in written form between ourselves and the Nova Scotia Communications and Information Centre, whereby they have told us the information they would like us to give them. They ask us to pass to them the telephone number and name of the person making the inquiry, together with the nature of the inquiry, so that the provincial inquiry staff can reply directly to the person making the inquiry.

Senator Carter: You contact Mr. Dennis' set-up; you do not contact any provincial department directly?

Mr. Padmore: No, we do not normally contact provincial departments directly.

Senator Carter: You have told us what happens when federal pamphlets go out and they are incomprehensible because their readability is too high. Does that sort of thing happen with the provincial people? How do you deal with it? Do you feel you have any responsibility there?

Mr. Padmore: We have no responsibility in the provincial area.

Senator Carter: Do you call to their attention that the people are having problems with it?

Senator Rowe: This is a good question, which I was going to ask. I think it is a very important question.

The Chairman: The question has now been asked, senator.

Mr. Padmore: In an earlier question I was asked about our relations with the province. In Halifax at the inquiry centre, when we receive something referred to us from a mobile officer in the field and pass it to the province, that is one thing. However, if a mobile officer is in the field at, say, Shelburne, and a question arises dealing with a provincial program, the mobile officer in the field, knowing the source of that information within her area, will of course refer the person asking directly to the local provincial representative, or put them in touch with the local representative on the scene. I would like to make that clear.

Senator Carter: So, there can be direct contact between field people at the provincial and federal level?

Mr. Padmore: Very much so.

Senator Carter: If it is of a general nature, if the field officer cannot deal with it, it comes to you, and from you to Mr. Dennis' Nova Scotia operation. Once that has been done, is there any follow-up? Do you know what happens? Does anything result from it, or do you go up a blind alley, or what?

Mr. Padmore: As Mrs. Nickerson deals with this sort of thing in her day-to-day operation, perhaps she would be better qualified to give an answer than myself.

Mrs. Nickerson: You were asking what happens if somebody comes to me with a problem that I know is within provincial jurisdiction?

Senator Carter: Yes.

Mrs. Nickerson: First of all I explain the situation to them, and then tell them that the person to contact in the area is Mr. So-and-So in that particular office. If they wish me to, I will make contact with that department locally and make an appointment for them.

Senator Carter: That is if there is an office in that area that they can go to?

Mrs. Nickerson: Yes, sir.

Senator Carter: When there is not one, you go back to Mr. Padmore?

Mrs. Nickerson: If there is a field worker from that department, I can arrange an appointment for them with the field worker.

Senator Carter: I am talking about where there is no field worker, where you have to go back to Halifax.

Mrs. Nickerson: That is what I do. I go back to Halifax with the name and the telephone number.

Senator Carter: Then it goes to Mr. Padmore, he goes to Dennis, and then do you then know what happens? Do you ever find out whether anything happens?

Mrs. Nickerson: I have contacted Halifax provincial offices myself directly.

Mr. D'Avignon: I spent a day with Mrs. Nickerson. For instance, at Barrington Passage there is a provincial office of welfare. Is that correct?

Mrs. Nickerson: Yes.

Mr. D'Avignon: I had the feeling that Mrs. Nickerson is there two or three times a week; they solve the problem right then and there and do not worry about these people in Halifax too much on a practical basis. This is the way things should be done; we get results that way. In Amherst, which is a different sort of community, I got the feeling that our mobile officer there spends a great deal of his time with the Nova Scotia Development Corporation on industrial problems, with people who want to start a new plant, and things like that. They do not worry too much about Halifax either, if they can solve the problem there.

Senator Carter: Do they have many problems? Are they pestered very much to find jobs for people?

Mr. D'Avignon: I do not think this is something that we can do. Referring people to Manpower is the only thing that can be done.

Senator Carter: Mr. Chairman, for the record, to correct any misunderstanding, it should be said that the information service in Nova Scotia is very highly regarded.

Mr. D'Avignon: Oh, yes.

Senator Carter: I think Senator Smith will bear that out; it is fairly well known.

Senator Rowe: This one, you mean?

Senator Carter: The one we are talking about. It is very highly regarded and very much appreciated by the people. I would like to ask Mr. Padmore one or two further questions. What you did was an experiment. You carved up Nova Scotia into how many areas?

Mr. Padmore: We had only a limited budget in which to operate and limited man-years that we could use for this experimental project. We had six man-years that we could

use during the demonstration project. We therefore made a very careful study of Nova Scotia, as to where we thought we would get the most advantage from placing these mobile officers, having in mind our objectives. So we consulted with various government departments, people at the universities, we used our own knowledge, we spoke to consultants and, finally, we divided the province up into eight specific areas that we were concerned with.

Senator Carter: The whole province?

Mr. Padmore: Yes. Some areas of the province we ignored. The Annapolis Valley, for example, we did not consider, because of the presence of Arcadia and because of the nature of the whole Annapolis Valley culture. We did think about places like Guysborough and Shelburne.

Senator Carter: You picked eight places where you thought there was not the type of information service that was needed. You said you had to cut your garment according to the cloth, because of money. Supposing there were no money problems, instead of eight areas, how many would you have for Nova Scotia, and what would your budget be?

The Chairman: Perhaps we could come to that when we talk to Mr. Trickey. As was said earlier, this is a matter of budgeting.

Senator Carter: Mr. Padmore is the senior information officer in Halifax and I understand he has the overall view. It would be Mr. Padmore who would have the idea: "If we are going to do the job we think we should do, we have to change our areas and we have to expand and have 12 or 14 instead of 8." I would like to know just how much bigger your operation would have to be to do the kind of job you feel should be done.

The Chairman: Perhaps he cannot answer that immediately. Perhaps he would like to think about it, and we will come back to it.

Mr. Ford: I do not think it is a problem. There are about seven or eight areas where we felt the need was greatest. We cannot develop into a hundred areas or something like that. We would like seven or eight areas, and we think that is right, where these programs could be developed.

Senator Carter: You think it should not go beyond eight areas?

Mr. Ford: I would like to pick the areas of greatest need, senator.

Mr. Padmore: Mr. Chairman, before we establish a mobile officer's position, we have to have a very careful look at the situation which exists in that particular area. If it is felt that by using existing resources, and by working more closely with the library system and other agencies which are there and which are communication sources and that sort of thing, we can achieve what we want to achieve within than specific area, then there would be no need to place a mobile officer there. So my feeling about it is that you never consider placing a mobile officer in an area if you can find some other way of doing it. You must explore every other avenue first, and you must keep the number of mobile officers to the absolute minimum, because that is not the object. The object is to increase contact between existing services and the people who are trying to reach those information services. That is a philosophical answer but that is certainly the approach we are taking. Therefore, each area would have to be examined very carefully and to give a ball park figure would be inaccurate and wrong, I think.

Senator Carter: The only point in conducting an experiment is to try to see what is the right thing to do. I understood this was in the nature of an experiment and from that experiment you would draw conclusions. And if the conclusion is that eight are sufficient, that is all I want to know. If the conclusion is that eight are not sufficient to do the job, then I want to know how many more would be required to do the job under the circumstances there.

Mr. D'Avignon: So far, the tests that we have conducted, I think, have proved successful. Mr. Ford has come up with a proposal, with a plan, and instead of having more mobile officers in Nova Scotia and more in Manitoba, his plan is gradually to have some in New Brunswick next year and possibly some in Alberta and Saskatchewan. I cannot remember exactly, but there is a timetable established, but we are limited by the budget and we have to go at this rather slowly.

Also, it is a matter of selecting the proper people, I do not think we can absorb too many new people and train them. There is a definite plan. We feel now that the experiment has been very successful. I think we are reaching a part of the public who have not been reached before. We will go to Treasury Board to try to get additional funds, modest funds, to carry on with this, and it is not going to be an experiment any more. I think we have proved that this is successful.

Senator Carter: But your experiment is only in two provinces, there are eight other provinces, and so far you have only one little fellow in Newfoundland, which is as big as Nova Scotia and New Brunswick put together. If you have to do the thing, you have to think in terms of the whole country.

The Chairman: Senator, we have to pass to other questioners, but we will come back to that when we talk to Mr. Ford.

Senator Grosart: Mr. Chairman, I have been in the communications business most of my life and I have been living in a dream world here for an hour or more. Here the evidence is that the federal information system is totally inadequate, this thing that costs millions and millions of dollars, and we have to resort to taking an individual to go out at the point of contact of the information and explain it to people. It is a dream; it is wonderful. For 20,000 people we hire one person to communicate. So what we are saying is that the whole media setup is useless so far as the federal government is concerned

I do not understand this putting a time on this. Why don't we back up all the way on Information Canada, because I am not sure whether what we have been hearing is its function. It is a wonderful job, I am not denying that. Is it legal aid? Is it social service? Is it welfare? It is everything but information. In many aspects, it can be a very dangerous thing, because from the evidence I have heard we are into advice to people, legal advice, obviously, and you say that when you go you give them legal advice. It may be wrong; it may be misleading people. However that is not my main point.

My main point is that this is the easiest way in the world to do an information job—hire somebody to go around

and talk to individuals; but there is no way you can justify this cost. That is what we have all the media for.

The Chairman: I have a supplementary along that line. Mrs. Nickerson described that particular case of the pensioner who did not know his age. I was wondering how many hours of her time it took. Perhaps she could give us a rough estimate, obviously, of the number of hours of time she spent on that, say up to this point.

Mrs. Nickerson: I am sorry, but I do not think I could. I would say probably about three days.

The Chairman: Three days of work.

Senator Grosart: It is an individual case but certainly not representative. There would be many where you would only spend a few minutes and do it, so I am not pressing that.

What alarms me about this information is that you have to go back and say, "nobody understands this pamphlet." Our government departments have been a hundred years at this business. My concept of Information Canada was to get out and do something about this at the source. It is a very simple thing to hire somebody for every 20,000 people across Canada and perhaps have mobile, walking information. But that is not information. You can do it by going one person to one person. That is the most expensive way there is to relay information. You may say we are only going to do it in certain areas, but whom do you hire to find out whether Greenwood in Toronto has 50 or 60 per cent functional illiterates? I do not know how you do it. You might find that most of your functional illiterates are in the university. This selection of places is no compliment to the place.

The Chairman: I wonder, senator, on the line of questioning you are taking, if we should have Mr. Ford here at this table.

Senator Grosart: I know it can be said that this is justified because it is a wonderful thing to do. It is exactly like saying that if we had a doctor for every 10 persons we would have no medical problems. I am not criticizing the job itself. I am asking: What has this got to do with Information Canada?

Mr. Ford: Mr. Chairman, Senator Grosart and I were in Toronto in public relations at about the same time, but we never met. I can understand, senator, what you are talking about. I think there is a large number of people who do read the media and can get information in the normal way, but there are other people who cannot. What this program is designed to do is to try to reach those persons. We are not advocating that we put 40 of them in Toronto, and spread them all over, so that every 20,000 citizens can have a favourite person to talk to from their favourite federal government; but we have found, through our research and efforts over a three-year period that there are sections of this country where you have to use a different kind of communication, and that is all we are doing. Hopefully, the feedback from the work we are doing will change, to some extent, the nature of the information work done here in Ottawa, but I am not advocating that this program replace the mass media, and I am not advocating that it change some advertising programs of departments. Those will always have to exist, and, by and large, for what they are designed to do, they are effective. But, as I say—

Senator Grosart: I agree with this entirely; but I just do not believe that there are that many people who do not have radios, for example.

Mr. Ford: Well, it is a question of what you make of what you listen to on the radio. As the senator is well aware, understanding and listening are two different things. There are some people who are confused, and we are simply trying to help those people, with information, to know more about their rights. We think this is a useful thing. Up to now it has not been done on any scale by the federal government and, as the senator knows, the federal government puts a lot of money into programs designed to help people who perhaps do not get information in the same way as the top people in the socio-economic scale. So, for dollars spent on these programs by the federal government, it seems to me that the government should spend some money informing those people as to what the program is all about.

Senator Grosart: I agree with this, but I do not agree that you are going to be able to do it in selected areas on a person-to-person basis, because there is no more expensive way to do it and no more complete admission of inefficiency than when you say, "We haven't the ability to communicate with somebody."

Let us take the small percentage of people who are illiterate in Canada. This term, "functional illiteracy"—well, you know my views on the social service jargon; they are well known.

Mr. Ford: Yes. I understand, senator.

Senator Grosart: And I am sorry to see it infiltrating into Information Canada, because jargon is a well-known barrier to communication anywhere. I hope there will be an effort in Information Canada to get rid of it, and you would be the first to admit that.

Mr. Ford: I do admit that, senator.

Senator Grosart: Yes, Mr. Ford, I know.

Mr. Ford: Mr. Chairman, if I may, just on these other points, I agree with the senator that person-to-person communication is the most expensive form. This is why, even in the mobile program, we have stressed the need to use community resources and information agencies, so that we do not have the community becoming dependent on us. What I would like to do is have people in the field who can assess the situation, see what is in the community and have them tie back in to, say, our centre in Halifax, wish the idea of using community resources. We prefer not to keep the mobile officers there if there is some other way to disseminate this information—to talk to groups, to use local media in the area—so that we can get away, as much as possible, from that one-to-one relationship, which, yes, I agree, is expensive.

Senator Grosart: I agree with you.

The Chairman: Nevertheless, the thing that struck me in Mrs. Nickerson's evidence was that I think she sees herself—and I am talking in the best possible light—either as a community social worker or as a community legal officer—

Senator Grosart: That is right.

The Chairman: —as opposed to a communications officer. I think she sees herself in that light, because that is the most effective way she can do her job.

Senator Grosart: And that is the kind of person she is, and I have not a doubt in the world that she is performing a magnificent service. I do not doubt that. I am very impressed with what she tells us she is doing.

Mr. Ford: If I may say this, Mr. Chairman, we are not social workers, we are not lawyers, and we do not pretend to be. Sometimes, when a case comes up, it is a matter of simple referral to the legal aid service in the province, and they can carry it from there. What we are trying to do, though, is to explain things to people so that they can use the information. Now, in that sense we have to go beyond handing them the act, we have to go beyond giving them the pamphlet, which they may not understand. We have to explain to them. We have to spend some time with them. In some cases we have to take them down to the Manpower offices, where they may have been reluctant to go. Now, that is communications. That is supplying information by a means of communication which is really effective.

There are a number of other cases in the region, senator, which Mrs. Nickerson can deal with on a much faster basis; there are others that take time. There are a number of others which may take three or four minutes on a telephone. It depends. When a person comes to us with a problem, we have always said that you should try and help that person with the problem in terms of making the referral effective. We are not going to turn down a pensioner who has a problem writing a letter, and I do not think the senator would want us to do that. That is a percentage of our cases, but there are a great many others where it is far easier to take the person, for example, down to Manpower and—

Senator Grosart: I do not want to go into all the details of it. I will merely say this: If there are experiments—and I hope they are experiments, or research projects—I hope that from them you are able to feed something back to the departments. Then, we get, of course, Mr. Chairman, into the larger area of what the role of Information Canada is. What I am really asking is: Is this the role of Information Canada? I do not think it is.

The Chairman: Senator Perrault has a supplementary on a particular line, and then we will come back to this question of the larger role.

Senator Perrault: Mr. Chairman, reference was made to the time invested by Mrs. Nickerson in servicing this particular very serious problem of the old age pensioner. The thought occurs to me, as someone who has served for many years in provincial legislatures and in the House of Commons, that any self-respecting elected member would consider this as his responsibility, for heaven's sake. Surely, it would have been a better investment of time had Mrs. Nickerson, or anyone associated with Information Canada, contacted the local elected member. That is why he is being paid an indemnity, precisely to handle cases of that kind. I have handled hundreds of them. To have someone from Information Canada spend three days checking out the age of a claimant for old age assistance is a bad investment of time and effort. It should have required no more than a telephone call to the elected member, wherever that member may have been; and if the member is not willing to act, then he should be defeated at the polls in the next election.

The second point I want to make is this: The continuing problem with Information Canada—and my background is communications as well—is the fact that the ordinary citizen does not know how to get information from Information Canada. Why not simply, for example, put Information Canada's telephone number at the front of the yellow pages in every telephone book across Canada under the heading "Essential numbers commonly called"? Has anyone thought of that?

Mr. Ford: We do it, senator.

Senator Perrault: I have not seen it in the Vancouver directory. It may well be there, but it is not up front in the directory. People, frankly, do not know the route. If the over-all scheme, ultimately, is to assign one person to, in effect, usurp the functions of the elected member, I cannot support that. I do not think that an Information Canada officer is supposed to be an ombudsman, because that is the function of the elected member, and he must fulfill that function to be of any use at all.

Senator Croll: Isn't Mrs. Nickerson saying that she is dealing with the problems that come to her? They have a program laid out. A man comes to see Information Canada. A man comes with a problem, and she tries to solve it. Is that not really what she is doing?

Senator Perrault: Senator, I am suggesting that when the man comes with the problem, Information Canada should immediately contact the elected member and say, "Look, we have come across one of your constituents with this problem." That is his job. That is his job. His job is not to come to the provincial legislature and talk about the Middle East crisis. His first responsibility is to look after problems precisely of this kind.

Senator Croll: That is the first question I asked—

The Chairman: Senators—

Senator Croll: Just for clarification, that is the first question I asked. That seemed normal at one time, but it is not as normal today as it was in your day and mine, Senator Perrault. I mean, the member is busy some other place. Constituents hardly ever know the name of the member, or do not know it too often. I would have thought they would do it through municipal officials.

Senator Perrault: May I ask this question, then? How often are the elected members contacted by Information Canada?

Mr. Ford: Mr. Chairman, I recognize what the senator is saying, and I do not disagree with it. All of our mobile officers are known to the elected members in their region, and most of them meet with them at the regional and provincial level quite often, and quite often the elected member will say, "This is going to take three days of my time. If you can get the information that he or she needs, that's fine, that's great. I just want to make sure the service is there."

Senator Perrault: Well, I was an elected member for 14 years, and never once was I contacted by an Information Canada office.

Mr. Ford: Well, senator, we did not have any there. If you like, maybe we could think of putting one in. The idea is

not to usurp in any sense the role of the elected member. The idea is to have contact with the elected member and work on those problems which are of a civil service nature. A great many are. We have had no problems in Manitoba or Nova Scotia with the elected members. They know what we do. We understand their role, and they very often refer to us such questions and such people who are in trouble and need information. They look to us as being another part of the public service which is there to serve the citizen. We have had no problems there.

Senator Smith: Mr. Chairman, I wonder if I could just make a point here.

The Chairman: Is it along the line of the questioning? Because Senator Grosart has the floor at this point.

Senator Smith: Yes, it is on this very point.

My home constituency, if I have one apart from being a Nova Scotia member of the Senate, is in the very area that Mrs. Nickerson comes from. She certainly not only had the courtesy but I was very glad to have a lengthy visit with her after she had taken office, and I was quite impressed with what she was trying to do. If I had been her member of the House of Commons, I would have been very grateful that there was somebody who was providing that service. Let us not forget that most M.P.s these days have to live in Ottawa, and I have just drawn a picture on paper here and shown it to my colleague in the back to indicate the geographical distance between an M.P. and those people who are not literate in the sense that they do not write letters. When I represented that constituency back in 1949, as a member of the House of Commons, my correspondence was very low, and I know why. Because they are not literate, to the extent that they say, "Oh, I can't write him," and there is nobody down there to help them write a letter. Mrs. Nickerson has made many people happy that she is down there. I am sold on the idea of having people like that in selected areas.

The Chairman: I do not think anybody is suggesting that a good job is not being done, but I think the point Senator Perrault was making was that rather than following through the specific case of the pensioner who did not have proof of age, it would have been more productive to refer the matter to the M.P. who, Senator Perrault tells us, is particularly well equipped to handle that kind of problem.

Senator Perrault: That is precisely the point, Mr. Chairman. They each have two secretaries down here now, and a telephone call to the M.P. would solve that problem.

Senator Smith: And who pays for that call?

The Chairman: I think we should return to Senator Grosart now.

Senator Grosart: It was a long supplementary, Mr. Chairman.

I want to come back to this role, and I just want to make the comment that it is not the M.P. who is involved but the M.L.A., the people elected to the Board of Education, the elected or appointed members of public utilities. In that area of 20,000 people I would guess that there are least a dozen elected representatives of one kind or another. At the same time, I do not entirely agree with this, because there are elected representatives and elected representatives. I have had something to do with members of Parliament and they are not all the same. Some don't get elected because they don't do their housekeeping, so I would not put that much reliance on members of Parliament. But the point I was making is simply this: Is this the role of Information Canada? That is what I am asking. I do not want to keep repeating myself. I am not saying that it is not a magnificant effort. It is. But is this its role?

Mr. Ford: It is not the role of Information Canada, in the sense that it is our only role. What we are discussing here is one of the jobs that Information Canada is doing, and one of these jobs is to try to get information to the people who need it.

Senator Grosart: I agree with this.

Mr. Ford: I think in terms of change, senator, it could have quite an effect. If we are in the field and if we understand the regional needs and aspirations of this country, we can bring information back to the departments, and perhaps, as a result, some creative changes will occur in the apparatus in Ottawa. We are not saying this is the only thing we do—there are many other things we do—but we felt that this would be a useful project, and it has turned out to be.

Senator Grosart: Of course, it is useful. It would be useful if you had six mobile officers in the area, and it would be more useful if you had 12. I am not saying it is not useful. I am simply asking if this is a role for Information Canada. I don't think it is.

Mr. Ford: On that basis, senator, with respect, I think it is a role, because without it, and if we are not in the region and if we do not have people there—and there are not that many people in Atlantic Canada—then we will have no sense of what the people need or what kind of information they would like to have. Then we will have no capacity to bring back to the people who originate information programs here in Ottawa something of what it means to communicate with Atlantic Canada, Quebec or British Columbia. There has been a real need for that.

Senator Grosart: Or even Toronto. I am not denying the value of this, and you don't have to sell me on it.

Mr. Ford: What I am trying to say, senator, is that there is no such thing as a national information program. This is a very regional country, and it seems to us that somebody must be on the ground to bring the information back, so that we can say, "Yes, this is a good way to formulate this so that the people in that area can understand it and evaluate the programs once they have been run by the people on the ground." And it seems to me that this will be one of the ways in which you could achieve the necessary changes.

Senator Grosart: You have said the same thing six times, and I have said that I agree with you. But what I do not agree with is that this is a role for Information Canada, and if this is the case, then what has been going on for a hundred years in the departments where we have probably spent hundreds of millions of dollars on information? And now you tell me that we have to have Information Canada to go in and find out the kind of information that people in various areas need.

Now, this may be so, but if it is, then I hope the function will be that you will carry this back and insist on getting some kind of control of this information and give us the kind of studies that we need here. Tell us, for example, how many pieces of paper are going out from each

department, what is the issue of each one, what is its function and if it is the intention to reach those people directly or if it is intended to go through a series of steps through the media and, in the end, reach these people. You are not going to reach everybody because that would be impossible.

Let me add this. If you are going to take on this function, then, believe me, you are going to have to have a thousand mobile officers. It is all very well to say Shelburne, but I can name you many areas in the City of Toronto where there is infinitely more illiteracy or functional illiteracy, whatever you want to call it. Probably the total area of the City of Toronto, taken area by area, say 20,000 people in each area, with the possible exception of ten areas, would be, to use this dreadful phrase, functionally illiterate. Of course people are functionally illiterate. There isn't a person in Canada who knows automatically what department is in charge of which specific matter dealing with the rights of individuals. I don't, and I get all the bumf on my desk and I look at it before I throw it away. So what I am saying is that you may be taking on an impossible task, or a marginal task, and forgetting the main task.

Mr. Ford: Mr. Chairman, I do not think the senator and I are in disagreement. All I am saying is that we would try to put in mobile officers in selected places, not only to try to help the people there, but to use that input, senator, to improve the apparatus here in Ottawa which would then mean, perhaps, that you would not need as many or any mobile officers. The real function of this program, senator, is to improve communications at the federal level. That is the point of it, Mr. Chairman, so I believe we are in agreement.

Senator Grosart: No, this is the first time that has been said.

Mr. Ford: Then I have not been communicating too well. I meant to say that.

Senator Grosart: If it had been said at the outset that this is one of the main purposes of the project, I would have been with you right from then. If you say it is to go out and carry the communications parcel individual to individual, then I have to say that it is a hopeless task.

Mr. Ford: No, that is not it. We are in agreement, senator.

The Chairman: Perhaps you would reiterate that main function?

Mr. Ford: The main function, Mr. Chairman, going into the regions, is to obtain feedback so that we can make the federal government's information apparatus more effective over the years.

Senator Croll: My supplementary is the point you intimated before. Can you put your finger on any piece of information that originated in Ottawa and was changed as a result of representations made by Information Canada?

Mr. Ford: I do not have any with me.

Senator Croll: Can you think of any?

Mr. Ford: Yes, there have been a number of programs in connection with which we have worked with the departments in order to improve the quality.

Senator Croll: Let us have some.

Mr. Ford: Veterans Affairs, the entitlement of veterans and how the new program fitted in with the old. Several pamphlets in the health and welfare field. We have problems with the Canada Pension Plan.

Senator Croll: You are saying that as a result of representations you made to the department, based on information you acquired in the field, those departments incorporated some of your suggestions?

Mr. Ford: That is correct, senator.

Senator Croll: Can you provide that information to the committee for the next meeting?

Mr. Ford: Yes, senator. We have four or five fact sheets, mimeographed rather than with glossy colours and four-colour layouts. One states that if a person is 60 years of age and a veteran, he is entitled to a list of one, two, three, four benefits, and where to apply, which will be his contact. In my view, that is a good piece of information.

Senator Croll: That is not what you said, and we are not talking about the same thing at all.

Mr. Ford: You are asking for examples of changes, and I am saying that is a change. We have worked with the department to produce that piece of information.

Senator Croll: Did the department produce that piece of information?

Mr. Ford: No, senator. We worked with the department to see that that piece of information was produced.

Senator Croll: By whom?

Mr. Ford: It was a co-operative effort between our writers in Ottawa and the departmental officials.

Senator Croll: Who produced it?

Mr. Ford: It was a co-operative effort, in my opinion.

Senator Croll: At their level, or your level?

Mr. Ford: Who are "they"?

Senator Croll: The departmental level.

Senator Grosart: Who paid for the piece?

Mr. Ford: It was a mimeographed piece, and I believe we paid for it.

Senator Croll: I asked you to point your finger to an example in which you were able to convince the department that something ought to be changed and, so far, we have had nothing. That is the difficulty, because that is what we hoped you would be doing.

Mr. Ford: Yes, senator, and that is what I hoped I would be doing also, as I told Senator Grosart. You must remember, however, that this program is experimental and has only been in operation six months. I cannot clean up all the publications in government in six months based on two small projects in Nova Scotia and Manitoba. I do agree, however, that if it is to have merit it should cause these changes to be made.

Senator Desruisseaux: Is it still a pilot program?

Mr. Ford: Yes, Mr. Chairman, we do not have a continuing program.

Senator Grosart: Mr. Ford, you have given us, in my opinion, a very important second function which may emerge from this. That is to re-write or, in your words, to "clean up." You said, "We cannot clean it all up overnight", which is a very important statement, because it implies, in my view, that this stuff needs cleaning up, and I agree with you. If that emerges as a second function—

The Chairman: Is that not the same as the first function?

Senator Grosart: No, it is not.

The Chairman: Would you like to differentiate between them?

Senator Grosart: One is to get back to the department and have them clean it up. The other is to clean it up on the spot. The differential is that I would not like to see the public paying for the two pieces of paper. I would prefer to see the first one fit the need, as an experiment such as this will illustrate. They are very distinctive functions, because it comes back again to the question: What is the role of Information Canada? In my opinion, it is to take control of the whole thing and clean up at the departmental level, which is where, in my opinion, the cleaning up should be done.

The Chairman: So you are in agreement with the first function?

Senator Grosart: I am in agreement with both. They are both excellent functions and much more viable and effective and will attain better use of manpower and of the brains of Information Canada than this person-to-person method as the link in the information chain going out.

It bothers me that we wind up saying it is all so bad that we finally end up with every person going to every person and asking if they understand their rights. The emphasis here is on rights, which is understandable. I have been through this before at another level. This unquestionably applies particularly to Mrs. Nickerson. I am sure she is most concerned by the possibility of people not knowing their rights nor how to assert them. This is perfectly understandable.

Then, of course, there is another area, which has nothing to do with rights. That is information, and I return to the question of communication illiteracy and so on. I doubt if there is a single person in Canada interested in football who does not know that the Grey Cup will be broadcast on TV next Sunday. If this can be communicated, which it has been, surely it proves that communication via the media is possible.

My final comment is that I hope that out of this type of experiment will emerge information with respect to these areas. Do they involve pensions? No doubt, in addition to the disabled, the blind and others in the rights area. We have a degree of complete inequality, because I know there are those who have rights but do not know of them and, therefore, cannot exercise them. I hope, therefore, that out of this will come, at some time, a plan at the top which will indicate the areas about which something must be done. I watch television occasionally and I find the corporations doing this. They know the sensitive areas. CPR is trying to persuade us that they are not just a railway and airline. They seem to think it is important to prove they are in the hotel business and digging for oil, so they found a way to do it. It seems to me that if we can pinpoint these areas, Information Canada will then be assuming an input role. There is nothing wrong with that, as long as its purpose is not to continue filling the deficiencies of the information system but to improve it.

Mr. Ford: Just in summary, Mr. Chairman, I would agree that is the major role. We must go into the regions and establish an input with information programs, to make them more effective based on what we find there.

Senator Grosart: That is the best news I have heard today.

Senator Desruisseaux: Mr. Chairman, most of my questions have been answered, so I will not impose on you. I was in the communications field for over 12 years—in radio, television, magazines and newspapers—and have been thrilled by the articles on Information Canada. I am impressed by what you have said. I have been reading this document entitled "A Summary of Information Canada's Development Projects in Nova Scotia and Manitoba" in which you state:

> The purpose of the program is to help put citizens and departments in a better position to make decisions on government programs and services.

I was curious about what was really meant by "make decisions." Then I saw:

> Its goal is to help supply timely, accurate, balanced and useful information to the public—and from the public to departments.

I wondered whether we had elaborated enough on these two points.

Mr. Ford: We phrased it that way, senator, because we have a role, I think, to explain government programs. We do not have a role to manipulate people so that they are compelled to take a program. Our goal is to help a person make up his own mind on whether he will avail himself of that program, or the program-of-the-day the next time around. It is to help people understand what is going on.

Similarly, it is to feed back to the departments—a point that I was discussing with Senator Grosart—to enable them to make decisions in terms of their information programs, or whatever else is necessary. In one case, for instance, we fed back information, and the Unemployment Insurance Commission put a new office in the Francophone area of Nova Scotia. There had not been one there before. The Commission had not recognized it to be a problem. They adjusted their program to make it more effective in that area. I think this can only help in the administration of government programs, and help increase their quality.

Senator Grosart: I do not like to take individual cases, but perhaps we can assume that this one is fairly typical. Let us take the case of the pensioner referred to by Mrs. Nickerson, who found it necessary, for various reasons, to stay with the pensioner and act, if you like, as a lawyer or member of Parliament. Would it make more sense if, as part of your policy, you said to your officers, such as Mrs. Nickerson, "When you run across these cases, get after the department and say: 'You get somebody down there. Here is a case. It is an information case. Here is a pensioner who needs information and help. Keep a record of these things and come back and tell us about them'."

It would probably take longer to get departmental people to do it, but surely you would then be acting as a real catalyst at the local level in getting these people to take action, to do the job which you are trying to assume,

which is not really an information job. You must have had some experience of this.

Mr. Ford: Yes. At the present stage of the program, we are trying to provide a service. We are bending over backwards to serve people, so that we can better understand the needs of the community. I cannot criticize Mrs. Nickerson for taking time to help that person. The situation may have been that there was no office there, and this seemed to be the right way to handle it. From that incident, senator, we learned something about the problems of those kinds of people, vis-à-vis information. We are learning all the time. Some may take five minutes, some one minute, some three days, but we are learning from that, and if we can feed that information back, we can hopefully make the process more effective.

Senator Grosart: I would hate to see it get to the point where the department says, "Information Canada, you do it!"

Mr. Ford: We do not try to do the department's job. Where the department has a representative, we refer in.

Senator Grosart: What kind of co-operation do you get? I would suspect very little, because I, with the same kind of compassion that Mrs. Nickerson has, spent hours of my time on a single case, only because I could not get the department do do anything unless I stayed on top of it, unless I kept saying, "This is Senator Grosart. Tell Mr. So-and-So to call me back." This is what concerns me.

Mr. Ford: The departments look at this as being a federal government program. Apart from a few cases, we have had pretty good co-operation from them, because they understand that it is a united effort.

Senator Grosart: It must be because you are in the club and I am not!

Senator Desruisseaux: How do you go about the second part, when you have to transfer information from the public to the departments? How do you go about that?

Mr. Ford: Normally the feedback comes to the central office in Halifax. It is compiled, they look at it, and the information could either go back to the senior federal government representative for the program in the Maritime region, or, if it is a broad problem, it could go back to the interdepartmental committee, if it affects more than one department. It is discussed and action is taken on it. We try to feed back the information into those places where action can be taken. We are not in the business of writing huge reports which are never acted on and are thrown on the shelf. We are trying to loop it back into those areas where people can help and be assisted.

Senator Desruisseaux: Is that an arm of the ombudsman's department?

Mr. Ford: No. We are not ombudsmen. We are part of the federal Public Service. We are trying to make the delivery of programs and information more effective. I think the departments in Atlantic Canada recognize us as being federal public servants. We are not saying, "We are going to take this to the courts and make a big noise about it." We are trying to connect them with the federal Public Service.

Senator Desruisseaux: Do you connect them with the ombudsman?

Mr. Ford: I am not sure if there is one in Atlantic Canada. People come to us and say, "This is a problem," and, as an information officer, you can explain the various avenues along which one can proceed. If a person says, "I want to go here" or "I want to go there"—it is their own judgment on the matter—you can help put them in contact with whomever they wish. Our job is to facilitate the movement of information.

Senator Desruisseaux: In your annual report you say:

> It is interesting to note that currectly, only six out of 44 major departments and agencies have their own information staff outside Ottawa.

Mr. Ford: That is correct.

Senator Desruisseaux: Is it your intention, wherever necessary, to cover the whole of Canada?

Mr. Ford: This is what I was trying to say when speaking about regionalization. Most of the information offices in the federal government are here in Ottawa and, unless someone is out in the field feeding them information, the communication coming from Ottawa will not be that effective. When we are in the region, yes, we will help departments which do not have information officers with information programs in those regions. That is part of our job. So they are able to get the service when they need it. Not every department has to put an information officer in the field, and we do not have a proliferation of information officers from coast to coast.

Senator Grosart: Do any of them consult you before putting out that first piece of paper which you may have to rewrite? I know it is a new program, but have you had any progress along this line?

Mr. Ford: At the regional level, senator, yes, we have been consulted on programs.

Senator Grosart: On information programs?

Mr. Ford: Yes. It is still new, as the honourable senator knows, in terms of other developments at the Ottawa level.

Senator Desruisseaux: My other questions have been answered. I am not striving for anything particular, except that I find that Information Canada is a must. It is growing, and it is helping people realize that this is a unified country and that information is available for everyone. The only point on which we are all uneasy is the cost. In my opinion, this should be continually looked into.

The Chairman: You are talking about the total cost of information in government?

Senator Desruisseaux: Of all federal projects.

The Chairman: Incidentally, senator, Mr. Ford has provided us—I think you have a copy —with the comments on The Definition of Information Services for Accounting Purposes, which really is the definition that arose out of the Task Force on Information report. Probably one of the purposes of this committee is to try to establish or achieve some sort of definition of "information". The first thing we have to do is find out what the cost is. That is something we do not seem to know at all.

Senator Grosart: Perhaps we can get Mr. Ford to rewrite that piece of paper.

The Chairman: I would like that, if Mr. Ford would do it.

Mr. Ford: I am afraid a rewrite would not help us substantially, senator.

The Chairman: Do you think we need a new definition of "information"?

Mr. Ford: This was complete at the time of the task force, Mr. Chairman. That is not to say it is complete now. There are a great many things that could be added. What we were saying, in a very pragmatic way, is that on a day-to-day basis these were the activities we could identify. We lumped them together and came up with the figure of $53 million. It was not perfect, by any means, but it was better than other information we had at the time.

The Chairman: Can you think of ways to improve it?

Mr. Ford: I would think, Mr. Chairman, this could be done by sending people into the departments or by sending out questionnaires and ferreting it all out again.

Senator Grosart: Or just by tripling the budget!

Senator Desruisseaux: There is one other question I wish to put to the witness, Mr. Chairman.

How does this work out with respect to the federal-provincial relations?

Mr. Ford: We have had good relationships with the provinces in which we work, senator. I think, as information people, there is a basic understanding that it is very hard, as Mr. Padmore has said, to say that a specific piece of information is federal, provincial or municipal. Many things cover all three, whether it is information or whatever. We try not to be bureaucratic about it and say, "These are federal; let the others lie." We have set up links whereby we can work together in getting information to the people as to what the program consists of. That is sometimes the most useful thing we can do. This has been developed to a very high degree in Halifax. In other areas it is simply a telephone link between the provincial service and the federal. But in all areas we try to work with the provincial service on a day-to-day pragmatic level.

Senator Perrault: It has been established today, once again, that Information Canada exists primarily to make the citizens aware of federal government programs. In this regard, how many telephone calls per week are received at the Vancouver office?

Mr. Ford: I am sorry, senator, I do not have that figure with me. I will certainly get it for you.

Senator Perrault: Are those records kept?

Mr. Ford: Yes, we keep a tally of all our telephone calls and contacts. I do not have the figure with me, senator, but I will get it.

Senator Perrault: Do you have a detailed breakdown of the nature of the calls? Because you have a bookstore at that location, I think it is important to have the breakdown.

Mr. Ford: Yes, to differentiate the two.

Senator Perrault: If the citizens are not aware of this readily available number and the accessibility of information, then that is a big weakness, a fundamental weakness, in the chain, right from the beginning.

Mr. Ford: Yes. One of the problems, senator, is that our service is locked into a budget, and so on. We are allowed so many man-years in terms of staff. The more you advertise the service without adding to the people providing that service, the quality of the service goes down. With very little advertising now our telephones are ringing all the time. We have been reluctant to get more telephone calls through advertising because we do not have the people to supply the information.

Senator Perrault: That is my concern.

The Chairman: If I may just interrupt, we do have those statistics, Senator Perrault. Information Canada has already provided us with them. Mr. Cocks will make them available to you after the hearing.

Senator Perrault: Thank you, Mr. Chairman. It seems to me that it is a basic problem of communicating the availability of Information Canada services to the people.

Mr. Ford: Yes.

Senator Perrault: You say there are some problems. You say the budget is not sufficient for you to advertise that this service is available. That is a fundamental problem.

Mr. Ford: Yes. If I may, there is an even more fundamental problem than that. Let us assume that we have all the people we require and we do advertise. The question then is whether it is a good thing simply to run a huge inquiry service from coast to coast in major cities.

As we were discussing with Senator Grosart, yes, we run an inquiry service but we use the information we get from that service in an attempt to improve the information programs. Perhaps that is the type of thing we should be getting into. We are now putting on the computer the kinds of questions we are asked, quoted by departmental activities; some information as to who asked the question and some information as to whether or not we were able to supply the information. By doing that, we hope to get down to where the problems are.

Senator Perrault: I think it would be of real interest to the committee, Mr. Chairman, to have that kind of a detailed breakdown.

Senator Grosart: We already have it, Mr. Chairman.

Senator Perrault: In many urban centres, for example, the ordinary citizen turns to hot liners, open liners, or he goes to the provincial ombudsman, his M.P. or M.L.A.

I will study this information.

The Chairman: I should explain that this is the first meeting which Senator Perrault has attended on Information Canada. We have provided him with information with respect to this hearing, but there is a considerable amount of information which he has not had, but which other senators have had.

That information will be made available to you, Senator Perrault.

Senator Perrault: Thank you, Mr. Chairman.

The Chairman: Mr. D'Avignon has a short statement to make before we go on to Senator Manning.

Mr. D'Avignon: Mr. Chairman, we sometimes assume that certain things are understood and, therefore, we do not state them. We forget to go into the basics.

When these areas in Nova Scotia and Manitoba were selected, one of the main reasons behind their selection was that services from the various departments did not exist in those areas.

Senator Grosart felt that Toronto, for instance, could use many mobile officers. Well, we do not think so, because the departmental services are already there. People have access to information in Toronto and in Vancouver, as well as other major centres.

I am not absolutely sure, but I have a feeling that where Mrs. Nickerson operates there might be a few post offices, a Manpower office, and a U.I.C. office. I know there is a Fisheries Department office. But certainly there are no representatives from the welfare branch of the Department of National Health and Welfare. The people in that area have to write to Halifax for information in that regard.

This is one of the reasons why these areas were selected. These services simply did not exist in those areas.

Senator Grosart: But what is the sense in having this information available if it is no good? It has to be rewritten.

Mr. Ford: That is right. The way to get at it, senator, is to feed it back and tell them to put it in a different way.

Mr. D'Avignon: If there were people from the department in Barrington Passage or in another municipality, then the citizens could go there.

Senator Grosart: But they have been there. They have handed out information and the evidence we have is that it is no good; no one understands it. It has to be rewritten. To me, that is the essential thing that has come out of these hearings. I knew it, but I am glad to have it confirmed by the evidence we have heard.

Mr. Ford: Well, it takes a while to catch up to you, senator. But, in another sense, it might be another media; it might be audio-visual as opposed to print. There might be another factor in making communications more effective.

Senator Manning: It has been confirmed that the major purpose of these experimental units was to provide a feedback to the department so that the form of information could be improved to make it more understandable.

Could we be informed as to whether these experimental projects were conceived entirely by Information Canada, or whether the departments were aware of the projects being initiated for this purpose, and did Information Canada have the support of the departments that this be done?

The reason I ask that question is obvious. It is one thing for Information Canada to initiate a project and come back to the department with a lot of findings and have the department resist those findings; and it is another thing if the department wanted the project carried out and was in it from the start.

Mr. Ford: We have done numerous studies in this field, senator. The advisory committee of information officers to Information Canada did study, too, the needs in the federal information field. That committee recommended that we go ahead with this process of regionalization on a test basis, to see what the problems were and whether we could alleviate some of them. In addition to that, Mr. D'Avignon wrote to the deputy ministers of the departments indicating what we were doing and asking them to appoint someone at the regional level to sit on our interdepartmental committee. So we have tried to link it into the general government apparatus, so that we are not out there trying to barge our way in. People do understand, I think, what we are trying to achieve here.

Senator Manning: I have another question in the same area, Mr. Chairman. Has any attempt been made to date in revising information to utilize people from these areas in the actual preparation of the information?

The reason I ask that question is because my own experience of many years of government has been that a great bulk of government material is produced by highly technical, sophisticated civil servants in urban centres, who have little practical knowledge of the problems in the field that we have heard about this morning. To be fair to those people, it is not easy for them to draft material that meets the atmosphere you find out in these regions.

Has any effort been made to utilize people who are personally knowledgeable of these conditions in the actual preparation of the material?

Mr. Ford: Not at the present time. It is something we may look at. We have run this for only six months or a little more. We are evaluating what we did there, as to whether it was successful. We have been asking the clients whether they did or did not like the service. From there we would hope to get into some of the other fields, one of which you just mentioned, which is a better method of communicating with those people.

Senator Manning: I would hope that Information Canada would pursue that aspect. I am sure many of us here have had experience over the years in dealing with government documents. We still get publications from these highly sophisticated centralized information services that are completely incomprehensible. If that is the general reaction of people who have lived with this stuff for years one can understand why a fisherman off the coast of Newfoundland is going to be a little confused when he reads some of this. I think we have to get their atmosphere injected.

I should like to say one other thing, which is more in the nature of expressing a concern. I should first say that my own concept of the role of Information Canada is that it should be exclusively an agency for the dissemination of information. I do not think it is the role of Information Canada to take on the task of inducing people to use it. I think that has to be assumed by the educational system, the media and a whole lot of other things.

With that premise in mind, let me say that it is a fine thing to initiate experimental projects of this kind, to get a feedback for the purpose of improving the information. However, I would express the concern that Information Canada should scrupulously avoid using experimental projects of this kind to develop new roles for itself. That is the responsibility of Parliament, not of Information Canada. I am sure you gentlemen would admit that.

Mr. Ford: I agree.

Senator Manning: When you have experimental projects and some bright ideas come out of what is discovered in the field, it is normal to say, "There's a role that we hadn't thought we should assume." I simply express the hope

that that would be avoided by Information Canada at all costs.

Senator Grosart: I should like to ask a supplementary to that. What do you regard as your terms of reference, Mr. D'Avignon? What are they at the moment? How are you set up? Somebody somewhere must have said, "Here's your job!" Where is that document?

Mr. D'Avignon: Our terms of reference are couched in, I think, a speech by the Prime Minister.

Senator Grosart: That is what I was afraid of.

Mr. D'Avignon: Basically, it is very simple. It is to bring the government closer to the people and the people closer to the government. Four or five instruments are indicated such as the sales of Canadian government publications and the opening of regional offices. It is very simple. We do not have a clear-cut mandate.

Senator Grosart: Do you have an act of Parliament?

Mr. D'Avignon: No.

Senator Grosart: You have a vote in the supplementary estimates.

Mr. D'Avignon: That is right.

The Chairman: Mrs. Nickerson, you gave us an outline of your function and some of the things that you did in respect of your contact with people in this area. How do you perceive the basic thrust of your job? Is it to help people?

Mrs. Nickerson: I think that if mobile information officers do the job properly, they do themselves out of a job in a certain length of time. The idea I wanted to get across was that the particular cases we were speaking of earlier were just initial contacts on my part. Once I get that person in contact with somebody, they realize they can talk to somebody in an office, that somebody will phone them if they call a certain number, so they do not come back to me. If they have further questions or problems, they are then used to making this contact, not only temselves, but from following up to check with people to see how they have made out I find they provide this same service to their son, their son-in-law, their daughter, or somebody like that.

The Chairman: So you see your main function as being, in effect, training people to develop in themselves the ability to contact the federal government?

Mrs. Nickerson: They already have the ability; they just don't realize it.

The Chairman: Then we will use your terminology and say the functional ability.

Mrs. Nickerson: Right.

The Chairman: However, you see your main function as creating a group of citizens in a particular area who have no hesitation, shall we say, about contacting the federal government. Is that correct?

Mrs. Nickerson: Yes, sir. The initial contacts were the ones that I was doing in the first couple of months. There are initial contacts now with people who have never contacted a department. I can see that once they realize they are not being made fun of, once they get used to walking into an office or using a telephone number, they do not need me any more.

The Chairman: I can see that. To whom do you report?

Mrs. Nickerson: I report to Mrs. Pell, who is the supervisor of mobile information officers.

The Chairman: What sort of reports do you make to Mrs. Pell?

Mrs. Nickerson: Pure statistics. No names of anybody; it is just how they first contacted me—by telephone, interview or correspondence; in what area they were contacting me, whether it was for themselves, for the public or other people; whether it was a provincial department that was contacting me, a federal department, or just an individual; then the area of their inquiry and who I referred them to.

Senator Grosart: I should like to ask a question on that. Could you make a guess as to what percentage of all your contacts, regardless of how they are made, you are able to service merely by saying, "You need information. You will get it in such-and-such a way"? I am referring to cases where you do not have to do anything else except give them the information.

Mrs. Nickerson: Over 75 per cent.

Senator Grosart: Over 75 per cent is purely referral?

Mrs. Nickerson: Right. When I talk about referral though, I am giving them this information in a way they can use it. I do not just say, "you go to So-and-So." I make sure that that is what they want to do, whether they want to write to them or just phone them, or whether they would like me to call them and have the person call them.

The Chairman: But your prime function is to show people how to get information and to help people get information?

Mrs. Nickerson: Yes, sir.

The Chairman: Your prime reporting function is to report how effective that thrust is to Mrs. Pell?

Mrs. Nickerson: I do not know exactly how to judge how effective it is. I just tell her what happens.

The Chairman: What you are doing.

Mrs. Nickerson: What I am doing and who it was referred to.

Senator Manning: Do your reports to Mrs. Pell include any assessments by you of the effectiveness or lack of effectiveness of information?

Mrs. Nickerson: I would just report to anybody who asks me, whether it is an individual who asks me, or when I am reporting to Mrs. Pell. I just report what I have done and what was said to me. I do not make any judgment.

Senator Manning: You do not say something about such-and-such an area of information?

The Chairman: You make no comment on that at all?

Senator Grosart: In other words, you do not report to anybody as to why you are needed?

The Chairman: That may be carrying it a little further than Senator Manning had intended.

Senator Manning: I was coming back to the main objective which was stated, that the purpose was to get a feedback as to where the need was.

The Chairman: We want to concentrate on Mrs. Nickerson because it is her perception of the job that is overwhelmingly important. We know what your perception is, and we assume that Mr. Padmore's is similar. What we want to know is what Mrs. Nickerson's concept of the job is, and Senator Manning has asked a very important question. Perhaps you would like to ask it again, Senator Manning?

Senator Manning: I am coming back now to the stated objective of the experimental project, which is to get a feedback to the departments of the effectiveness or otherwise of the information and how it could be improved to be more understandable.

My specific question is: Do your reports point out inadequacies in the information available that you have discovered in the area you are dealing with, and have you made recommendations as to how it might be improved?

Mrs. Nickerson: Yes. My job is to report what people say, and this is feedback because they are saying it. If they report back that they never realized that this program existed because of so-and-so and so-and-so, I report that. I report feedback from the people I am working with.

Senator Manning: And if they tell you that they cannot understand a certain piece of information, you report that as an inadequate piece of material?

Mrs. Nickerson: I report that a certain person told me—I do not give the names—I report that one person or ten people made the same comment.

The Chairman: Do you perceive that as a very important function?

Mrs. Nickerson: Yes.

The Chairman: Taking your report to Mrs. Pell as a whole, would that consume very much of your report?

Mrs. Nickerson: Every time you refer somebody to a particular department, or refer them to a particular address or telephone number, there is obviously feedback, because they will say exactly how this referral aided them or in what way it did not assist them.

The Chairman: I think Senator Manning has been referring specifically to feedback of the improvement of communication effectiveness of the particular department involved. I get the impression that the feedback you are giving Mrs. Pell is more in relation to the fact that, "Here was a client who had a problem and I referred him to So-and-So, and the problem was concluded satsifactorily." Isn't that more the type of report that you are making?

Mrs. Nickerson: Yes.

Senator Carter: Are these weekly or monthly reports?

Mrs. Nickerson: Weekly reports.

Senator Sparrow: I was wondering if in your work with the over 20,000 people in your area, you can service that area. Can you make a judgment on that at this point—that you require another person or another ten people to service that area in the way you are servicing it and that it is important you should serve it? Can you serve it yourself?

Mrs. Nickerson: It depends on how fast you want it done.

Senator Sparrow: I am thinking about servicing the people.

The Chairman: You service an overall population of 20,000?

Mrs. Nickerson: Yes. If you are asking for a personal opinion, I have only been working at it for six months. I think one mobile information officer is sufficient for the area that I cover. If that person were living in the area, had lived in the area for some period of time, and knew the area, one person could do it. I would not like to put a length of time on it, when you would say "okay, that's the thing solved."

Mr. Ford: May I give a supplementary answer?

The Chairman: I would rather complete the line of questioning with Mrs. Nickerson and then come to Mr. Padmore who may have some material for us, and then to yourself.

Senator Grosart: Mrs. Nickerson, could you give us a very rough estimate of any difference in the awareness people have of their rights in the major federal programs, such as old age pensions, family allowances, unemployment insurance, the Canada Pension Plan? Do you find there is a higher level of communication in some than others? If so, where would you find the low levels of communication? Or do you notice any difference?

Mrs. Nickerson: Are you talking about improvements and that sort of thing?

Senator Grosart: No, no, just coming on to the problem, for example, if more people are aware of the family allowances than are aware of the Canada Pension Plan, and their rights?

Mrs. Nickerson: In most cases people do not become aware of a service or program until it relates to them, until they have a problem that relates to that department no more than a general idea. They do not specifically become aware of the department and the services until they need them.

Senator Grosart: Do you find that there are some of these programs which cause greater information problems?

Mrs. Nickerson: If you mention the Canada Pension Plan, I would say, yes, because in that case people will not become aware of what they do not know about the Canada Pension Plan until somebody dies. They do not become aware of these things until a particular situation comes up.

Senator Grosart: Would you say there are substantial numbers of the public, from your contact, who have not availed themselves of family allowances, old age pensions, because they just do not know about them?

Mrs. Nickerson: A "substantial" number?

Senator Grosart: Or any number?

Mrs. Nickerson: Yes, there are people.

Senator Grosart: There are, let us say, mothers who would not be receiving the family allowance because they did not know about it? Would you say that is so? Some?

Mr. Nickerson: Yes, I would say some.

Senator Grosart: Not many, but some?

Mrs. Nickerson: Yes, and strange to say, there are old age pensioners who never applied for the old age pension.

Senator Grosart: That is very interesting.

The Chairman: In another committee hearing, on another subject, it seems to me we found that the number of old age pensioners not applying was really quite substantial.

Senator Grosart: There were not many in the case of unemployment insurance!

Senator Sparrow: Mrs. Nickerson, you are giving what appears to be good service. Apart from the contacts that you have in mind for giving information and the information that you are able to give yourself, what would be the next line? Would it be the town office, or the local M.L.A., or would it be the member of Parliament—is or where else do they go?

Mrs. Nickerson: In the first place, to give a personal opinion again, after working with them, I know that a lot of people that I have worked with would never have received the service that they are receiving presently, because they would never have had the information that they ought to get. I think that in my area the next information source would be the M.L.A. and the town clerk. Postmasters would come before the M.L.A. and the town clerk.

Senator Smith: Where does the M.P. stand in that?

Senator Grosart: Be careful now!

The Chairman: Just do not forget about your local senator.

Senator Sparrow: His name is Smith!

Mrs. Nickerson: I think it would be whomever they could get to first, all these people that they know their M.L.A., their M.P., their senator, people they have read about, whoever they can get to the easiest and the fastest of those people.

Senator Grosart: Mrs. Nickerson, could you tell us how many persons—and this follows up one of your answers—you would estimate are now receiving benefits that they are entitled to, who would not be receiving them if you were not on the job?

Mrs. Nickerson: Are you talking about benefits? A service?

Senator Grosart: Yes, just a rough guess.

Mrs. Nickerson: I guess that of the number of people that I worked with, who would not have received such service and who would have not have gotten the benefit—

Senator Grosart: Yes, something they were entitled to but would not have got if you had not been on the job.

Mrs. Nickerson: I would say 75 per cent of the people I have been in contact with.

Senator Grosart: How many people, would you say, roughly?

Mrs. Nickerson: I talk to between 40 and 50 people a week.

Senator Grosart: And you have been on the job for six months, so that is roughly 200 a month, and that makes 1,200 people. Something like 1,000 people you would estimate are now receiving services that they are entitled to, which they would not have received if you had not been on the job?

Mrs. Nickerson: There is a considerable portion where it would have taken them a lot longer to get the services. They would have got them but they would not have received them until much later. It might have been too late for them to make the application, or it might have taken them a much longer time to get it.

Senator Grosart: How many of those 1,000 were not receiving the benefits—the services, and everything else—because they did not know? We are talking about information—

Mrs. Nickerson: Right. I do not think I could—

Senator Grosart: It is a difficult question.

Mrs. Nickerson: I have not thought about that too much, but I think a large percentage of them knew that generally there was something they should be able to apply to—a department that they should be able to ask—about that certain thing; but they did not know exactly where to go; there was just a phone number or an address.

Senator Grosart: So your function was more that of showing them how to use the information than it was that of getting the information to them?

Mrs. Nickerson: Yes.

Mr. Padmore: Mr. Chairman, I think that the picture is incomplete in the feed-back role, if we do not take it from the mobile officer into the Halifax situation, where we have the interdepartmental committee made up of, as I mentioned, thirteen regional directors and managers and nine senior officers.

When we first started to grapple with this question of what you do with feed-back, this group of senior officers spent a long time trying to devise a method whereby the results of Mrs. Nickerson's work, for example, could reach the members of the interdepartmental committee; and a mechanical arrangement was worked out whereby the supervisor of the mobile officers, about once a month, writes a letter to the member of the interdepartmental committee and says, "With respect to your department, this is the total feed-back that we have received, throughout the area where our mobile officer is working, concerning your department." Some of it is very good, and some of it is not so good; but all of it is done in such a way that the position of the mobile officer is protected. In other words, the mobile officers are not investigative. They are not there sort of looking around. They are simply reporting on what happens. We report this, in turn, to the departments concerned, and their response has been truly tremendous.

The other thing is that the departments, at their request, have met with the mobile officers recently in Halifax, so that they could discuss at first hand the sort of things that have been discussed here this morning; so there will be a

better understanding between the various departmental heads, and so on, in Halifax and the mobile officers.

Mr. Ford: Mr. Chairman, I just wanted to do two things very quickly. One is with regard to the feed-back coming from the mobile officers. They have been told, "We are not particularly interested in your opinions of what is going on. The feed-back we would like is what people say about the information they receive."

This is why Mrs. Nickerson is very carefully laying it out in the form, "She told me that—"

This, to us, is the important thing: What are those people really saying? We do not want our officers generally milling about in areas saying, "My perception of that is this," and, "What I think of that is . . ." That is not particularly useful to us or to the departments; but we are trying to get feed-back on information and what people think of it.

The second thing I want to do is to make a correction in the briefing paper we sent to you. As I told the research director the other day, we made an error in it which we should correct. It is on page 4, I believe, of the material sent. We do some things right, but we obviously cannot add. I think it is about the middle of the page, where we say that each mobile officer contacts about 1,200 people. That is an incorrect figure. That was the number of mobile officers, actually. The correct figure is 400.

Senator Grosart: Which document is this, Mr. Chairman? What is the title of the document?

The Chairman: It is entitled, "A Summary of Information Canada's Development Projects in Nova Scotia and Manitoba". It is page 4, about half way down the page. It says:

> A few highlights of the program—

and in paragraph (a) it says,

> Each officer personally contacts more than 1,200 persons—

and it should be "400".

Is the figure 50 in "50 inquiries a day" still valid?

Mr. Ford: Yes. We still have that, Mr. Chairman.

Senator Grosart: I wonder if I could suggest that we have one of Mrs. Nickerson's reports? We could pick out a good one that will illustrate the answers to some of the questions we have asked. If you wished it to be on a confidential basis—that is, just to the committee and not for publication—I am sure the Chairman would accommodate you.

The Chairman: Yes.

Mr. D'Avignon: It does not need to be on a confidential basis, and I would suggest we send you one from each of the areas instead of from just one.

Senator Grosart: All right. Let us know if you would be prepared to publish it—

The Chairman: It strikes me that in the material we originally got there were copies of reports included in it.

Senator Grosart: In view of the questioning here, let us take another look.

The Chairman: It would be my intention, honourable senators, to ask Mr. D'Avignon, Mr. Ford and Mr. Trickey to come back next week, so that we can carry on on this line of questioning.

Senator Grosart: They are not exhausted.

The Chairman: If we are not exhausted is absolutely right.

Senator Grosart: No, I said, "They are not exhausted."

Mr. D'Avignon: This is very refreshing, actually.

The Chairman: Senator Carter has a couple of small questions.

Senator Carter: I want to pursue the question of expansion and criteria—

The Chairman: We will do that next week.

Senator Carter: Yes, but before we close today I want to establish one point, and I am seeking clarification on another.

The point I want to establish may be taken care of by the reports that Senator Grosart has requested, but I am not sure.

When Mrs. Nickerson was giving evidence she was limited to one particular example of her work, from start to finish, and it so happened that that particular example gave rise to considerable discussion and comment. I do not think it would be fair for the committee to draw conclusions from one example, and I would like to have at least five or six, or seven or eight—or whatever they can produce—examples in addition, to sort of set a proper balance.

The Chairman: This is in Mrs. Nickerson's own writing, and—

Senator Carter: Yes. She only had one example, and we jumped on that one.—

Mrs. Nickerson: And I blew it.

Senator Carter: There may be others, but I do not think we should draw conclusions on one single example.

The Chairman: We could ask her for other examples.

Mr. D'Avignon: I might make a suggestion to Mrs. Nickerson on this. The whole thing today seemed to be based on the one-to-one relationship. This is not quite right. I am sure that Mrs. Nickerson spends probably half her time dealing with groups, and not with one person. She is dealing with social groups and town councils, and I think that the examples chosen made it appear that she was always dealing on a one-to-one basis.

Senator Carter: That is why I wanted to correct that impression. It may be taken care of in the report that Senator Grosart has requested, but in case it is not I would like to have clarification.

In reply to Senator Croll's questioning, Mr. Ford said, "Well, we found some pamphlets by the various departments were not really being understood, and we drew up a new version on a mimeographed sheet."

Now, I want to establish beyond any doubt that you cannot provide this committee with any pamphlet by any department that you made comments on which was then rewritten. In other words, you cannot give us a "before and after" pamphlet from any department.

Senator Grosart: He didn't say that.

The Chairman: He said he could not give us an example offhand in his verbal evidence, but I think that he might be able to have a look at the material and perhaps give us an example.

Senator Carter: That is the point I was getting at. Is there in existence an example of where the department sent out an original pamphlet, found that the people did not understand it; and then you retranslated it on a lower readability level, brought this to the attention of the department concerned and, as a result, the department rewrote it and issued a new pamphlet? If you have an example of a "before and after" in that sense, I would like to see it.

Senator Grosart: Perhaps you would just give us a few of your mimeographed sheets and we will find out what you rewrote.

Senator Carter: There is another point I want to make on that. Was the circulation of this mimeographed sheet that you prepared and distributed to explain the pamphlet limited only to your own area? Or was it also available to the department to use right across Canada?

Mr. Ford: We made that available to all our offices across Canada.

The Chairman: Are there any further questions?

Then, honourable senators, on your behalf I should first of all like to thank Mr. Padmore and Mrs. Nickerson for coming to our meeting today and for being so forthcoming with us and helping us so much in our area of examination. We greatly appreciate it, and we hope you have a good trip back. We wish you great success in the important work you are doing.

So far as the other witnesses are concerned, perhaps we will see them again next week.

The committee adjourned.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT

1972

THE SENATE OF CANADA

PROCEEDINGS

OF THE

STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

The Honourable ROBERT O. SPARROW, *Deputy Chairman*

Issue No. 9

WEDNESDAY, DECEMBER 5, 1973

Fifth Proceedings on the Main Estimates
laid before Parliament for the fiscal year
ending March 31, 1974

(Witnesses:—See Minutes of Proceedings)

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26361—1

STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman*;

The Honourable Herbert O. Sparrow, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.	Langlois, L.
Carter, C. W.	Manning, Ernest C.
Côté, Jean-Pierre	*Martin, Paul
Croll, David A.	(*Ex officio*)
Desruisseaux, P.	Paterson, N. M.
Everett, Douglas D.	Phillips, O. H.
*Flynn, Jacques	Prowse, J. Harper
(*Ex officio*)	Rowe, F. W.
Giguère Louis de G.	Sparrow, Herbert O.
Grosart, Allister	Welch, Frank C.
Laird	Yuzyk, Paul

(Quorum 5)

**Ex officio Member*

Orders of Reference

Extract from the Minutes of Proceedings of the Senate of Wednesday, February 21, 1973:

"With leave of the Senate,
The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending the 31st March, 1974, in advance of bills based upon the said Estimates reaching the Senate.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier
Clerk of the Senate

Extract from the Minutes of Proceedings of the Senate of Thursday, March 15, 1973:

"The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination and consideration of such legislation and other matters as may be referred to it.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier
Clerk of the Senate

Minutes of Proceedings

Wednesday, December 5, 1973

Pursuant to adjournment and notice the Standing Senate Committee on National Finance met this day at 9.30 a.m. to further consider the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974, Re: Information Canada.

Present: The Honourable Senators Everett (*Chairman*), Carter, Desruisseaux, Manning, Sparrow and Yuzyk.

Present, but not of the Committee: The Honourable Senator Gélinas.

In attendance: Mr. J. H. M. Cocks, Director of Research.
Witnesses on behalf of Information Canada:

Mr. G. R. D'Avignon, Director General;

Mr. Eric Miller, Deputy Minister General;

Mr. A. G. Trickey, Assistant Director General;

Mr. Tom Ford, Director of Regional Operations;

At 12.20 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Gérard Lemire,
Clerk of the Committee.

The Standing Senate Committee on National Finance

Evidence

Ottawa, Wednesday, December 5, 1973.

The Standing Senate Committee on National Finance, to which was referred the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974, met this day at 9.30 a.m.

Senator Douglas D. Everett (*Chairman*) in the Chair.

The Chairman: Honourable senators, we are resuming our hearings on Information Canada and we have with us the officials from Information Canada: Mr. D'Avignon, Mr. Miller, Mr. Trickey, Mr. Ford and Mrs. Lachance.

Do you have an opening statement, Mr. D'Avignon?

Mr. Guy R. D'Avignon, Director General, Information Canada: No.

The Chairman: Very well.

Honourable senators, you have before you the answers to the questions that were posed at previous meetings, especially in respect of the regional operations of Information Canada, so perhaps our questioning could revolve around the regional operations, particularly as they pertain to the mobile officer program and the inquiry centre program. That, of course, will not restrict you from asking any other questions you might want to ask.

Senator Carter: Mr. Chairman, I would like to begin where we left off at our last sitting. Then we were talking about the mobile services and we had a witness here, a Mrs. Barbara Nickerson, who I thought was an excellent witness and an excellent representative for Information Canada.

I might mention that since that sitting I happened to be reading one of the Halifax newspapers and there was a letter to the editor which was very greatly in praise of Information Canada, and particularly of Barbara Nickerson and the work she is doing. I do not know if that letter has already come to your attention, but I think it should be in your files.

I would like to continue and ask one of the witnesses this question: When you decide to select certain areas, is your selection based on any criteria that could be applied generally to other provinces, or do you just say, "Well, we have so much money that we can have two or three officers, and this is the best place to put them."? Has it been done in that way, or do you draw up some criteria, what I might call a sort of measuring rod that could be applied generally across the country?

Mr. D'Avignon: Certainly, I think a little of both—the financial constraints to be considered, but within these financial constraints there were some criteria.

With your permission, Mr. Chairman, I would like Mr. Ford to reply to this question.

Mr. T. Ford, Director, Regional Operations Branch, Information Canada: Before starting in Nova Scotia we spent some time talking to people in the province about their experience in terms of information. Secondly, we carried out a survey in an attempt to disclose areas in which the population seemed to have the least awareness of government programs which would be of interest to them. On the basis of those two projects we selected a number of areas in which we thought the mobile officers could be the most useful. So, in short, it was done on the basis of need. What were the areas which seemed to have the greatest problem in obtaining information, understanding and using it? That is where we placed the mobile officers.

Senator Carter: It was on the basis of need, so to speak?

Mr. Ford: That is correct.

Senator Carter: And the basis of need was determined by means of a survey?

Mr. Ford: By means of a survey, that is correct.

Senator Carter: I was looking for something more specific than that.

The Chairman: Perhaps I could ask a supplementary, if you do not mind, senator.

Looking at Mrs. Nickerson's biography, Mr. Ford, I form the impression that she is much more a social action person than an information person. She has served as: president of the Cape Sable Island School Association; regional director of the association, instrumental in bringing volunteer services to the area in which she resides; and president and spokesman for a committee which drafted a brief for presentation to the Graham Royal Commission. She is currently serving as a member of the school board of Shelburne regional vocational district. Mrs. Nickerson also has been greatly concerned and continues to be concerned about recreational facilities in the area in which she resides.

In other words, in reading the biography, I gain the impression of a person who is very socially concerned and highly intelligent, as it says here, but with not much knowledge of the methods by which information is disseminated.

Mr. Ford: Yes, Mr. Chairman, we were obviously looking for people who had an interest in their community and some understanding of it. We did not want to appoint a professional information officer, let us say, from Halifax or some other place, who had little understanding of the community and its needs. We therefore chose to employ an indigenous person, who knew something of the area, and to train that person in information

techniques, backing her up with information facilities to assist in obtaining answers to questions. We felt this was the best manner in which to approach the problem.

The important thing for us is to understand the community and its needs, and a person who has been active in a community will understand how that community communicates. A person in a community who has taken an interest must know how things happen in that community, which is what we were looking for. We can back those persons up with information techniques.

The understanding is important to us, and I think that is too often forgotten in communications. We tend to become rather technocratic in respect of this sometimes and think a good film can somehow communicate with people. This is not the case, unless the film shows an awareness of what the audience thinks and what it is about. Information, to me, is less technology and more understanding of people, in a sense.

That is an approach, Mr. Chairman, but it is an approach which seems to have worked for us. With our valuations, we are obtaining a good response. People are receiving information, and this way around seems to be working.

The Chairman: It is certainly a good answer to the question. Would you not agree, though, that Mrs. Nickerson is more the type of person who is aggressive about her social concerns than receptive? That is, she sees her role as one of solving problems for people, as opposed to observing the shortfall of government information services and informing people of the answers government might hold to their various problems?

Mr. Ford: This, of course, could have been a problem, and we sought to avoid it. Those interested in a community will obviously bring with them a whole package of social concerns. We recognized from the beginning that our job was not to reform communities or anything of that nature. We therefore endeavour to tell them that their job is to bring information to people, who can then make up their minds about what they wish to do. That is our job, and we intend to do that. We are not attempting to reform communities. Our goal is to make the federal delivery of programs in that area, particularly information programs, better. If we have an interest in changing anything, it is to make the federal government more responsive to the concerns and needs of the people, with the help of the departments in the area. That is what we are endeavouring to change. We are not going in and telling people how the community should be run. We are not telling them that they should go on this track, or pick up this particular objective. Our job is to bring information, and our officers have been very tightly controlled, frankly, on this basis because we recognize that we could get into trouble if we became social action people. We do not wish to do that. We are information people.

On the other hand, however, we still must have someone who understands the community. If we can obtain that kind of person, make the ground rules clear and have them perform within those ground rules, then I think we have a pretty potent combination. It really calls for very good management at the local level to make these people understand and do what they should be doing.

The Chairman: I am sorry; I was encroaching on your time, senator.

Senator Carter: Continuing with my theory, the area in Manitoba was also selected on a basis of need. Were there any other yardsticks?

Mr. Ford: That is correct. First, in Manitoba we did community profiles of communities throughout the province. Secondly, we spoke with people at the provincial and federal levels with respect to their problems regarding information within the province of Manitoba. For instance, speaking with federal government officials we would ask, in their responsibility for a program in Manitoba what problems areas they encounter. Thirdly, we carried out a survey. It was not very elaborate, but it was designed to discover the areas of most need for information. We took five or six programs which seemed to be or, perhaps, should be of interest to those in that area. We asked the people about those programs, how much did they know, did they have trouble obtaining information about the programs, where would they go for information? On the basis of that research we selected the areas in which we thought we would be the most effective.

Senator Carter: You measured need, I gathered from what you said at an earlier meeting, on the basis of the access the people had in that area to sources of information in the area?

Mr. Ford: That is right; that was certainly one of the criteria. What was their access to information? If there were no government department representatives in the area, or very few, that would certainly be a criterion. The basic criterion, however, was how much they were aware of federal programs which might have been of interest to them.

Senator Carter: So that if you were to appoint information officers in other provinces you would still have to carry out this type of survey in order to determine the need?

Mr. Ford: I am not sure whether we would do that again. We have learned enough now in connection with this situation that perhaps we could forgo the surveying. We would, however, still wish to speak with federal, provincial and municipal officials in the province with regard to their experience. I do not believe that we would need a survey again, but we would certainly wish to carry on some research with officials in the various levels of government.

Senator Carter: Will you continue indefinitely in the two areas in which you already operate, which are pilot and experimental, or do you foresee an expansion and increase in cost over the expenditures you have already made?

Mr. D'Avignon: The costs for the two mobile units were approximately $200,000 and 12 man-years in Manitoba and Nova Scotia. We will carry on next year. As to "indefinitely," we do not know. We would like to carry on for a while and expand during the next fiscal year to the whole of the Prairie and Atlantic regions; that is, to establish mobile officers in Prince Edward Island, Newfoundland, New Brunswick, Saskatchewan and Alberta.

Senator Carter: With reference to need I am thinking of Labrador, where there is no information institution at all to which access can be had, and it is quite sparsely populated. Appointing an information officer in Newfoundland, on the island part of the province, will not be of much use to those in Labrador, where the need is even greater.

Mr. D'Avignon: Mr. Ford informs me that Newfoundland, of course, will service Labrador. There will probably be a mobile officer in Labrador.

Senator Carter: Will you have two mobile officers?

Mr. Ford: At least we would like to appoint two, because of the tremendous need there. We have performed some preliminary research in Newfoundland and Labrador and, obviously, the need in Labrador is tremendous. There is just no question of that, and this is what we would like to do if we obtain funds and permission to do so.

Senator Sparrow: When you refer to expanding, are you thinking of one officer in Manitoba, one in Saskatchewan and one in Alberta?

Mr. Ford: It is a difficult question to answer, because it involves funding and whether the Treasury Board gives us permission to carry on with this program. It has been evaluated. We will be going before the board to ask for an increase in the program—that is, over a period of years. Obviously, we do not want to do it in one great massive jump. So it is difficult to say.

Let us take the province of Saskatchewan. In my view, I would probably say that we would try no more than four mobile officers in that province if we are taking in the determination of need. Those officers may be working in the northern part of the province rather than the southern part. In other words, there might be two in the north and a couple in the south. The senators are well aware of Saskatchewan. You probably know the province better than I do.

Senator Carter: Have you worked out a budget on the basis of at least one information office in each province?

Mr. Ford: Yes, senator. By the end of this fiscal year we will have 11 inquiry offices: one in each province, plus two in Ontario, one in Toronto and one in Ottawa. Those are inquiry offices.

Senator Carter: There will be just the one office in the capital, where people can ask questions?

Mr. Ford: That's right.

Mr. D'Avignon: Not necessarily the capital.

Senator Carter: Not necessarily the capital, but not a mobile?

Mr. Ford: No.

Senator Carter: Have you worked out a budget that would have one inquiry office, plus one mobile?

Mr. Ford: We have worked out a number of budgets, Mr. Chairman, all based on what you can do for the money. It depends on how much money one wants to put into it.

Senator Carter: What would be the estimated cost of one inquiry office in each province, plus one mobile in each province, roughly?

Mr. D'Avignon: Mr. Chairman, I wonder if it might not be better to submit our main estimates on this? I think they have already been submitted.

The Chairman: This is on the cost of mobile information officers?

Senator Carter: Yes.

The Chairman: You want to know the average cost of an individual officer?

Senator Carter: I was thinking that we have had a year of experimenting. We are hoping to expand it. I am trying to see what the limits of the thing are going to be in cost, what the minimum cost will be.

The Chairman: You want a projection of what Information Canada sees as the establishment of mobile information officers if the program were to be extended to the fullest extent that Information Canada envisages for the program; and the probable cost of those officers, including their expenses—which, presumably, could derive from the experience you have had from the mobile information officer program in Manitoba and Nova Scotia. Is that possible, Mr. D'Avignon?

Mr. D'Avignon: Yes, Mr. Chairman, it is certainly possible. As you know, we now have regional offices in Halifax, Montreal, Toronto, Ottawa, Winnipeg, and Vancouver. These have a set budget. There will not be any other regional offices like these. There will be an inquiry centre in Saskatchewan and Alberta which will report to the Winnipeg regional office. The same applies to the Maritimes. These will not cost as much. There will not be a book stall attached to them. They will be a fairly small operation. We operated the mobile units in Nova Scotia and Manitoba for about $200,000—plus, I suppose, some support from the headquarters, which might increase this to $250,000, $260,000; and instead of 12 man-years, perhaps 14 to 16 man-years, if we use the back-up. We feel that to operate in the whole of the Atlantic and Prairie regions—that is, seven provinces instead of two, including Labrador—would cost in the next fiscal year, because it will be a phased-in operation, in the neighbourhood of $550,000 and about 40 man-years, in actual useage of man-years. But by the end of the fiscal year, we would have 51 mobile officers and back-up people, and the yearly cost would be, at that time, about $750,000 —that is, to service seven provinces and Labrador.

Senator Carter: Your organization, then, consists of four regional centres, to start with—

Mr. D'Avignon: Five.

Senator Carter: Five regional centres—I am thinking about the provinces—plus inquiry offices, plus mobile units. That is generally speaking. In addition, you would have special offices in Montreal, Toronto, Vancouver, Winnipeg—

Mr. D'Avignon: And Halifax.

Senator Carter: These would not be regional, would they?

Mr. D'Avignon: Yes, these would be regional. Ottawa would not be regional, probably. Ottawa would be under Toronto in this set-up. We can supply an organization chart for this proposed—it is not proposed, it is actual, except that we do not have a regional director. The only one we really have is Mr. Padmore, who does not really have the title, and Mr. Lefrançois, who is in Winnipeg. They have mobile units, and there will be other offices opening there. But in Ontario, Vancouver and Quebec we will not have this yet. This will be for the next fiscal year.

Senator Yuzyk: I think you have discussed this before, but I would like to have a better idea of what criteria you apply to assist the effectiveness of a mobile officer.

Mr. Ford: We applied three kinds of criteria. First, we asked the federal departments, with whom we had been working, whether or not they thought the program was effective. Secondly, we asked community institutions, in the areas in which the mobile officers were working, whether they thought the mobile officers were effective. To us, community institutions may be the local library, municipal council—anywhere where people are gathered together to try to create some kind of activity. Thirdly, we took a random sample of those people who had actually been contacted by the mobile officers, and asked them whether they thought the service was worthwhile—Did the mobile officer have enough information? Did he call back to make sure that things had gone properly? Was he or she polite? We asked a number of questions like that. As I say, the evaluations were good—surprisingly so.

Senator Yuzyk: How do you handle complaints about mobile officers, if you get any such complaints?

Mr. Ford: We handle them in the normal way that you would handle them in any organization. We do not have too many complaints about the mobile officers, thankfully. But if we have a complaint, it goes to the regional director or to the person responsible for that area. He examines the problem to see if, in fact, the mobile officer had made a mistake, and the issue is normally resolved at that level. We find out whether he had gone beyond his guidelines or boundaries. Sometimes you will get complaints about people that are not merited. We check these out and try to be fair to both parties.

Senator Manning: Mr. Chairman, could we have a little enlargement on the experience in Manitoba to date? I am not too clear on just how far that experimental project has progressed. How does it compare with what we have heard about the Maritimes?

Mr. Ford: In the Prairies, we have an interdepartmental committee of senior federal public servants who meet to discuss information problems, and advise us on priorities. Secondly, we have an inquiry service in Winnipeg which attempts to back up the mobile program in addition to taking calls from citizens who phone in. Thirdly, we have mobile officers in various areas of Manitoba—Thompson, the interlake region. We had an officer in the francophone area south of Winnipeg, the Beauséjour area, et cetera. These officers acted in the same way as they do in Nova Scotia. The difference was that in Manitoba we did not use indigenous people.

To go back to what the chairman was saying earlier, we decided that since it was an experiment we might as well look at both sides of the issue. So, in Manitoba we picked people who had more of a communications background. We tried to teach them something of the community, and then set them into the field. In Nova Scotia, as you are aware, we use indigenous people and try to teach them the techniques of information.

I would say that the Nova Scotia experience has been better than the Manitoba. It is easier to back up good indigenous people with information and information techniques than the reverse.

We had a good evaluation in Manitoba, but it was not as good as that in Nova Scotia. I think that was the difference. The people in Kimberley, Manitoba took a little while to cotton on to the fact that there was a fellow from a federal department wandering around; they did not really know who he was. He was a good man, but they did not know him and, consequently, they were reluctant to use his services. It took some time to overcome that.

I think, Mr. Chairman, Senator Manning is aware of the situation to which I am referring.

The Chairman: I have a supplementary to that. I got the impression that the people in Manitoba—and this is from memory, so I may be wrong—were all from a social service background.

Mr. Ford: No, not particularly. Again, some were and some were not. By and large, they were more adept, I would say, in the communications field than were the people in Nova Scotia.

Senator Manning: Do you envisage these experimental mobile units as ultimately becoming an integral part of the whole Information Canada service, or is this something that will disappear once you gain the information the experiment is intended to supply?

Mr. Ford: The mobile officers, as I was trying to explain the other day, basically have a number of functions. One of those functions, obviously, is to supply information to the people with whom they are working. Another objective is to build links with community information resources.

When we started this project we were running an inquiry service, which is a one-to-one kind of situation. We could have taken that inquiry service and simply added to it, right across the country, more people and more telephones, and we could have advertised, in which event the telephones would have been ringing. As the bureaucrat says, that would really be terrific—"All these people are phoning and I need a larger empire"—and that would have been the extent of it.

However, we very quickly began to ask ourselves whether or not this would be useful. We asked ourselves what we were doing, and came to the conclusion that it was not a systematic approach to the problem. So we decided to test the mobile officers in the field, to determine whether we could rely more on the information services—libraries, and so forth—and cut down on the direct one-to-one calls which we were getting. In point of fact, it is beginning to work out. It is not perfect yet, but it is beginning to work. Our inquiry service would

then largely have the function of backing up community information services, say, of the provinces and itself taking fewer calls from individual citizens. This seems to be an effective way of handling the situation. It gets us away from proliferating unreasonably.

Our other objective, obviously, is to discover gaps in information programs created in Ottawa or elsewhere. If we can start filling in these gaps, again we can cut back on the number of mobile officers.

A third area would be to work with the interdepartmental committee in a region in order to achieve some kind of co-ordination, so as to put the departments in a better stance and to aid them in communicating more efficiently, thereby reducing the need to have people in the field.

A fourth idea is to revise the material in a program, and we did discuss that the other day. We have not done that kind of thing as yet, but as we gain more experience we will be able to make that information material more effective.

Through all these approaches, what we are trying to do is develop a more systematic approach to these problems which exist in the regions. In short, rather than having an inquiry service with thousands of people answering the telephones, we want to use, firstly, the community information services and, secondly, we want to make the federal government's information service more effective.

Senator Manning: You mentioned your use of random samplings. To what extent have random samplings been used, first of all, to ascertain gaps and the needs in the various regions of Canada as far as information is concerned. And secondly, how far have you used random samplings as a means of assessing the effectiveness of what is being done, not only by the experimental mobile units but Information Canada generally?

Mr. Ford: I think, in general, there is only one way to assess whether an information campaign has been effective, and that is to find out, as best you can, what the understanding of that campaign is in the citizens' minds. We can go into a lot of elaborate things and look at structures and money spent, and that type of thing. However, if the citizen did not get the message or misunderstood the message, then the campaign is a failure. So survey techniques can be very useful.

To answer your question in more precise terms, senator, we have not used this method to a great extent. We did conduct one survey to ascertain the information needs in Nova Scotia and Manitoba. We used a very small survey to determine whether or not our mobile officers were being effective with the individuals.

We have conducted a national campaign involving 2,221 Canadians. That survey sampling was supposed to be representative of Canada. The question asked in that survey was how they would like to get information, and the results of that survey were interesting. We have also checked a number of other projects in Information Canada with the use of surveys.

These surveys need not always be horrendous, large and expensive, but I do feel you have to do some checking with the people to determine whether or not they are getting the message.

Does that answer your question, senator?

Senator Manning: I very much favour the use of random samplings and scientific research in that field, because you can very easily go ahead and spend a great deal of money and a lot of time and effort only to discover, through a long, slow and painful process, that the project was not worthwhile. You can discover that much more quickly and efficiently through samplings taken at an opportune time.

Mr. Ford: That is correct.

Senator Manning: I think these random samplings are something that should be used.

There is only one other point I want to raise, Mr. Chairman, and this is of a general nature. It does arise out of what we are discussing.

Information Canda is a relatively young organization and out of all this experimentation will undoubtedly come the pattern and planning for the future growth and expansion of Information Canada.

The future growth, I suppose, revolves around three possibilities. There would be normal growth resulting from the increase in the population and the greater complexity of society, and all those related things. In other words, whether you injected anything new into the program, the services of Information Canada would have a certain degree of growth because of these factors.

Secondly, there would be the growth arising from the addition of new types of information services altogether. I am wondering if at this stage you have any pattern in mind as to whether this latter will be a major factor. I think as a committee, and speaking for myself as an individual member of the committee, this is an area with which we are concerned.

When you go through these experimental periods you get all kinds of bright ideas. A lot of bright people tell you that if you do this or that it will tremendously improve the effectiveness of Information Canada, and these are the things that could lead to tremendous growth and tremendous costs. They can be offset, in part, if the emphasis, rather than being on the mere addition of new services, is more on how you can refine and improve services; in other words, if you take the approach that one program can be dropped in favour of another because experience has shown that the latter is more effective. I am just wondering if within the Information Canada management structure you have people who are concentrating on preventing this thing from growing and growing, and growing in all directions without any restraints.

The Chairman: That is a good question.

Mr. D'Avignon: Mr. Chairman, I should like Mr. Miller to respond to that. This area comes within his responsibilities. Certainly, we are very aware of the things you have mentioned, senator, and we are being very careful not to proliferate these services and expand in a haphazard way.

Mr. E. Miller, Deputy Director General, Information Canada: It seems to us, reflecting on what Senator Manning has said, that we have to do a number of things. First of all, we have to qualitatively improve the deliv-

ery of information. We also have to touch on the business of evaluating the effectiveness of the information program and determine whether or not it is getting through to the people, and whether the concept is apparent in the first place.

We are presently working on techniques and discussing with the information people in the federal government departments in Ottawa ways to improve the evaluation of information programs, both before the fact and after the fact—in other words, assessing whether the delivery technique is appropriate, and after the fact finding out whether it was successful enough in adding to the information capacity of the receiver, of the people.

Techniques like this tend not to require a great number of man-years. They would, very likely, in the long run increase on a cost-benefit basis, if the value of information received could be measured, which is something one cannot do. If it could be measured, I would suspect that the more science we can put into what is essentially an art, the business of information exchange and communication, the more effective it becomes, and therefore the use of whatever man-years or moneys are involved becomes greater, more effective and more efficient. That is at one end of the delivery system. We are helping to do that with the department now.

I should add this, which is a kind of environmental point. We perceive, as I think everyone would agree, that Canada, with respect to federal government information, suffers from a kind of malnutrition. When that malnutrition is fed, when more information is given, what happens is that the appetite for informa ion increases, so it would be unrealistic of us, as information people, to say that we could impose the kinds of efficiencies on an information system that will reduce it in size. I think that would be unrealistic.

To be perfectly candid, I think what we will see in the years ahead is a more effective communication relationship, between the government and the people, but one that will cost more money and one that in my subjective view ought to cost more money, because it is not as effective as it could be now. It can be more effective. It will cause more people to want more information. Without being pompous about it, I think that ought to make the democratic process work better, because the people will be able to assess the government, and government will be able to respond better to the needs of the people. I do not know whether that necessarily answers your question in the way you might have wan ed.

Senator Manning: I would just express the hope that a great deal of attention will be given by Information Canada to evaluation at this early stage of its growth, because the thing so large that a proper evaluation becomes very difficult.

I would also hope it would be evaluation, not only from the standpoint of the effectiveness of the information that is being distributed and accepted, but from the standpoint of cost effectiveness. A certain amount of information can be put in the hands of a certain number of people, and it can be very effective from the standpoint of their being informed, but there might be another way of accomplishing the very same end result for significantly less cost, so I think the cost effec iveness aspect should be very prominent in your evaluation.

Has Information Canada done anything thus far in the way of requesting proposals from the private sector to attain any of its objectives? I am thinking of many areas in the private sector, such as the media, publishers, book stores, people who are in the information business, who might respond to a request from Information Canada with a specific proposal to achieve some objective that you have spelled out. I do not know whether I have made myself clear.

Rather than having Information Canada devise all its own methods of reaching the Canadian people, which is what you are trying to do, surely there must be some area in which you could say, "Here is an objective we want to accomplish as Information Canada in disseminating information. Let us invite, from any interested groups in the media and news business or publications business, proposals to accomplish these specific objectives. Has anything been done along that line?

Mr. Ford: Yes. Let me give two examples. First, let me mention our inquiry service in Montreal. We went to the newspapers and radio stations in Montreal and said we were offering this inquiry service, we wanted to promote it better, and asked their cooperation in doing so. In fact, we have received good cooperation from them. For instance, one radio station is giving us $10,000 worth of free time.

Secondly, in Nova Scotia, from our experience there, we have had meetings with the weekly newspapers and smaller radio stations. We said, "These seem to be some of the problems we are having in communications in these areas. Could you help us do something about it?" Those talks are continuing, and I am hopeful that something will arise.

We are not trying to set up our own communications networks, in a sense. We are trying to utilize more effectively what is there at that level. We have people in the field, and one of their jobs is to find out how to utilize more effectively these local communication resources, whether they be the media, libraries, community information centres, communication clubs, whatever they may be. That is what we are trying to do, and we need people in the field to tell us that.

Does that answer part of your question?

Senator Manning: I did not make my point quite clear. That is more in the field of inviting and securing the cooperation of people in that area. I am talking about something that goes beyond that.

Suppose there is a region of Canada which you feel is not being adequately provided with certain federal government information that is important to them and you want to get that information to the region. Instead of you developing techniques to do that, have you considered drafting out your objectives clearly, what you want to attain—that you want to achieve this, this and this—and then inviting from the private sector in the region specific proposals whereby they would undertake to attain this objective for you? You would make a contract with them to do the job.

In other words, it would be a utilization of existing private facilities to achieve objectives that you define and then monitor to be certain they were achieved, and you would pay on the basis of whether or not they achieved them. This goes far beyond cooperation. This involves

their developing a specific proposal, submitting it to you; and if their evaluation convinces you it is worth while, that it is better to do it that way than to do it yourself, you make a contract with them to do it.

Mr. D'Avignon: In the area of dissemination of information, maybe we have not reached this stage. However, in the distribution of our publications we have. The criteria for our authorized agency was developed with the Canadian Booksellers' Association. The Canadian university Libraries association and Information Canada have a permanent joint committee, which meets two or three times a year to develop these things. We listen to them and they make proposals to us. Certainly, in terms of our publications we are now interested not in opening any new bookshops but in contracting out to the private sector. I think this is the sort of thing you have in mind in your question, where they have developed a program which we have accepted.

The Chairman: I suppose that in a sense that is applicable, but I think what Senator Manning is referring to more is specifically in the information field. If you have specific objectives for information, would you contemplate articulating those objectives, rather than relying on your own internal expertise and the growth of that expertise, and would you go to the private sector and say, "Here is a problem that we have in getting certain information out to the public. How would you go about it? What would you recommend that we do?"

Senator Manning: And have them do it.

The Chairman: And have them do it.

Mr. D'Avignon: I do not think we have done this yet, but it is something we would consider doing.

Mr. Miller: May I add something to that? It may not be as specific to a regional delivery problem as the senator might want, but we are currently, for example, in the broader sense, examining two areas of communication. One is the business that we have talked about, which is the business of research and evaluation. We are involved with private sector research organizations in developing the techniques for this; and any implementation of research functions has been and would be in the hands of private sector people. There is no point in our acquiring a large staff of research field people. The facilities exist in the private sector.

The second area is the whole advertising process. Right now we are investigating ways to improve that process qualitatively on behalf of government. We are dealing with and talking with members of the private sector associations, in an effort to get from them their feeling and, ultimately, I would assume, their proposals as to how they might help us to improve their product on our behalf.

Senator Manning: I have one further comment, Mr. Chairman. It seems to me, even in this experimental area that we have been discussing—and this is why I was asking if you had in mind more—that this might well be a field in which this requesting of proposals from the private sector to do that experiment might be worth considering. It has this one great advantage, that if you go into an area and set up a structure to do this yourself, and if you terminate it—very seldom these things are terminated, but if you terminate it, you have the problem of your staff, the equipment and all the rest of it. If it is done by a contract with the private sector in that community, it is one project to them and when your project is finished you have no more problems, you stop paying and so on. I think this has tremendous possibilities for an organization like Information Canada.

Mr. Ford: I would agree with that. For example, in Newfoundland we have a contract with the Newfoundland Libraries Board to do work on our behalf. It did not seem to us wise to duplicate what they were doing there, so we pay them a small amount of money to do certain things for us. Secondly, in northern Manitoba there happened to be a group of people who had been supplying this information resource and we have backed them up, paid Telex and certain things, and allowed them to do the job. There was no point in our duplicating it. I can give other examples, small examples but important examples, of the way that we are not trying to build our own empire. It is not effective: the government can put people everywhere in this country, but this does not ensure that the information will be handled properly. What we have to do is support and build those community resources.

Senator Manning: Mr. Chairman, I do not want to take any further time now. Later on, after the first round of questions, I might come back to this point.

The Chairman: If you want to carry on with it now, senator, please do so.

Senator Manning: Other senators may have some general questions.

The Chairman: I think you can carry on now with that line of questioning, if you want. It is central to our whole inquiry.

Senator Manning: I do not want to repeat myself, but I would like to emphasize that this utilization of the private sector to attain objectives, to be effective, must go beyond mere consultation and having them give their ideas. If you can get to the place where you actually invite any interested group in that field of endeavour in the private sector to submit proposals, it gives you the advantage of gaining the expertise of a significant group of people who are expert in that field. If you just go to one group, like a local library group, fine, they will have some ideas and will be helpful, but that is a group of three or four people you are dealing with.

What I am trying to get over is the value of inviting responses in which you probably have a hundred people who are knowledgeable in the field, who are trying to come up with what they consider the best technique to attain the objective that you have spelled out. They do it because, if they can produce the best, they assume that you will contract with them to do it, and there is a financial incentive, in that sense, behind it. The net result is that you can draw on the expertise of maybe a hundred people as against half a dozen, and it stands to reason that the chances of getting new and innovative approaches are much greater than through that of some single group you may take in.

If I may take an over-simplification—and certainly it is over-simplified—suppose that in some region of Canada there is an obvious lack of public understanding of certain federal government programs or things that are available to people and, because of the local conditions, you realize that it would be pretty important that a significant number of people in that region be informed with respect to the government programs that are pertinent to them.

Let us take a simple illustration, as an example. Say that at least 25 per cent of them ought to know what the government is doing and providing. If you said to the people in that region who are in the private sector in communications, "It is essential, in our view, that at least 25 per cent of the people in this area be knowledgeable about this and this and this government program. Would you care to submit a proposal to us of techniques by which you would undertake to see that they are made knowledgeable in three months?" You would get half a dozen proposals from people in the information business and the evaluation of the proposals might lead you to the conclusion that a contract with one of the groups that had submitted a proposal was the most cost-effective way of attaining the objective, and you would do so.

It is relatively easy to monitor the effectiveness of what they have undertaken to do; this is where your random sampling comes into play. Your contract with them could well provide that if they do not produce that result, 25 per cent, they are penalized financially. This is the kind of deal you make in these things.

This goes far beyond co-operation and inviting ideas. It gets right down to producing concrete, specific proposals which you can evaluate and contract to use, if you are satisfied it is a better way.

I come back to the point I mentioned earlier. It certainly has two obvious advantages. One is that you bring to bear on your problem the expertise of a far larger number of experienced people in the communications field. Another is that if you can get an effective proposal which you can accept and which is cost-effective, when it is finished you are through and you do not have to see that your staff are absorbed somewhere else or fired or have all the other dislocations.

The Chairman: Would you like to comment on that, Mr. Ford?

Mr. Ford: I am inclined to agree.

Mr. D'Avignon: It is something we will consider in our planning.

Senator Manning: I apologize for making a statement instead of asking questions.

The Chairman: Have you further questions?

Senator Manning: No, thank you.

Senator Sparrow: A question was raised at a previous meeting about the consideration given to the effectiveness of the Zenith telephone number for dissemination of information. What was the answer to that, or was there an answer to that, at the last meeting?

Mr. Ford: Mr. Chairman, in our experience there are two problems with the Zenith number. One is the number of people who won't use it; in other words there seems to be a reluctance. If you have, say, Zenith capabilities in Dauphin, Manitoba they are still reluctant to call Winnipeg for some reason. They may have the idea that it is free, but they still think that someone may charge them for it. They have in their minds that it is an expensive way to get information.

The second thing is that with Zenith numbers you lose any possibility of having community groups screen out a lot of problems and solve them at the local level. In other words, you are saying, "Okay, I have an inquiry service in Winnipeg and I will extend it across the province." And that is just going to increase your costs and the number of calls coming in. So again, with the mobile officers, what we have tried to do is set up local people. In some cases we use a library or some other facility. We say, "Look, we can give you some information here. We can train your people in using it. Why don't you take the calls in your community and if there is anything you cannot answer, well, fire it into Winnipeg on the Zenith line?" What you do then is solve a lot of problems at the local level and back those people up with material they may not have, and this cost efficient way of doing it seems to be the preferable way of handling it.

A number of the provinces have tried these Zenith lines and what they are finding is that people are not using them. This may be because of a reluctance somehow to phone. You know, they are suspicious of it. Some people don't like using the telephones and some people feel that it is a terrible thing to phone Winnipeg from, say, a town quite far from Winnipeg.

That in short, Mr. Chairman, has been our experience.

Senator Sparrow: I wonder if they think it is a terrible thing to phone Winnipeg, Mr. Chairman, any more than they really think it is a terrible thing for an information officer to drive in from Winnipeg to their community a hundred miles with an automobile to meet perhaps face-to-face with three people in a day. This might very well happen. I say this because one of your information officers spent two or three days on one particular problem with one particular person. I wonder if they would not relate that to the cost factor just as they would for the telephone.

Mr. Ford: I am sure they do, and so do I. This is the point I have been trying to make. If we have a mobile officer in Dauphin, the chief responsibility of that officer in Dauphin is to set up an arrangement whereby that community can look after most of its information requests, with our assistance.

I do not see that officer staying in Dauphin. I need, though, somebody in the field to set up this kind of situation. We have to know what the problems are. We can only find out by somebody going in on the ground level. We have to know what resources exist and then we have to find a way to connect them with, say, our inquiry centre in Winnipeg.

Once that is done, it is done and we can carry on and perhaps go into another area or look to some other way, such as Senator Manning has told us, of solving the prob-

lem. But they are not long-term people. I will not get anywhere in Dauphin unless I have a mobile officer go in and set the thing up initially, and this is what we are trying to do.

In the Dauphin area, for example, we have just come from a meeting of local people from 50 communities around Dauphin. We spent a weekend and sat with them and discussed information problems, how they thought they might be resolved and what would work with the department library up there, and what their role might be. We talked to the province, which has the information facility up there, as to how we can help that, and I really look to the day in the not too distant future when we can leave Dauphin and perhaps come back once in a while to make sure these links are being maintained.

Senator Sparrow: What will happen in Dauphin? Who will the resource people be in Dauphin? What do you foresee? How is your office going to service them? How do you feed them information? Do you give them a pamphlet of every government program, as an example?

Mr. Ford: No. I think that if we can help them find out what are the five main problems people have up there, we can get them information on these kinds of problems and get them a list of contacts which they can phone locally or in other places.

So we try to set up, say, the local library—which is a very enthusiastic group up there—with information the best way we can. And then we will probably say to them, "We will link you by, say, Telex or Zenith, to our inquiry service in Winnipeg. Anything you cannot answer, get back to Winnipeg and we will go through our files, try to find the answer for you and shoot it back to you."

So we use Zenith, but we use it with community groups that are working within the community. It might be the development association; it might be a community information centre, if it is good. There are a number of techniques we can use, depending on what is available within the community.

In some communities it will take some time to develop those community facilities, those community information resources, because they just do not exist now in some parts of Canada.

Senator Sparrow: Can you give us an idea who these people or organizations might be? The reason I ask this question is that there is a great danger of misinformation.

Mr. Ford: Yes.

Senator Sparrow: You get misinformation direct from government departments because of people, even within the departments, who are not entirely aware of programs. If you start getting this second-hand, perhaps third-hand, from people who are not particularly responsible for the program or responsible to the government as such, there is a danger of misinformation which could be exaggerated each step down the line, and I think that that is a greater concern than a lack of information.

Mr. Ford: I agree. I think you have to balance it somehow. I agree that the more people you get involved the greater the chance to be misinformed.

On the other hand, if, to take a stupid example, everybody called the Prime Minister to get information, I am sure they would get the information as he saw it, from his point of view. But you cannot do that, so you have to have other people involved.

What we try to do, in building this system, is to ensure the greatest accuracy possible so that the people at the community level have as much information for the problems as they can. Either they have the information in printed form or they know who to contact or somebody to call, and they feel confident that they can handle that kind of information. If they feel they cannot or do not have the answers, then they are free to call somebody back in Winnipeg, let us say, who may have a better answer. If Winnipeg does not have the answer, then we will have to tie in here to Ottawa, to try to ferret it out in Ottawa. It seems to us that this is the most effective way to handle the information.

Mr. Chairman, a senator asked what kinds of groups. Well, there are a variety of groups that we use. In some cases we have assisted newspapers to write columns on particular information questions which people have in areas. We have utilized association development corporations who are very keen and have a lot of feed-ins to various parts of an area because they are interested and concerned. We have used, as I say, libraries. We have used church groups, which in certain areas are a tremendous informant. In short, we will use anything which we think can be effective.

Senator Sparrow: I cannot really see any continuity in this type of approach. Church groups or industrial development officers or chambers of commerce and this type of thing have indivduals leave; and it seems to me that a program would be built up by an individual and, as that individual leaves, so does the program leave, so there is a void there. I really cannot see any continuity in that type of thing.

Mr. Ford: Well, we have been successful in some areas in doing it. I am not saying it is easy. I am also saying that I cannot give you a pat formula right now as to how it is going to work in every region, because every region is different. That is why we have to have the officer on the ground in the first place. What works in one area may not work in another. This we only know by utilizing it.

If we find that the thing does not work, we will have to take another swat at it. There may be some areas where it won't, but there may be others where it will. We will have to examine it and see constantly if this thing is working.

The Chairman: I think the senator raises a very interesting point on the continuity of the program. You have had two experimental programs under way for a certain length of time, and it would seem to me that something should have arisen out of that as to the sort of organization that would best act, in effect, as an inquiry centre in a particular community. And it surprises me that we are still at the stage of talking about libraries or church groups or school principals. It is still awfully vague, and I do not know what instructions you would really give a mobile information officer going into a community as to what his criteria would be for what is, essentially, the establishment of a branch inquiry centre. That is really what you are talking about, isn't it?

Mr. Ford: That is right, run by the community, yes.

The Chairman: And run by the community itself.

Mr. Ford: That is right.

The Chairman: If I were being hired by one of your mobile information officers in a certain community, I do not get the feeling that you would be able to give me any solid criteria as to how I ought to establish this from the information that has been derived from the mobile information supplemental programs.

Mr. Ford: Mr. Chairman, I could give them criteria on the results we hope to see from such a system, but I think the great strength of approaching this on a local basis is simply that we do not come in with a predetermined notion of how this is to be done.

Let us take southern Ontario, for instance. In southern Ontario there is forming a very strong community information centre service. There is Information London, Information Windsor, Information Guelph; and a number of people, through government funding, have set up very strong and viable community information centres.

Obviously, where we can help them is by giving them background support, helping them to train their people, linking them with resources; and this we are doing.

For instance, in the city of Ottawa there is a central information agency which attempts to look after the problems of all the community information centres in the Ottawa area, and we are working with them. So that seems to be the kind of solution we will use around Ottawa and in southern Ontario.

In other areas it has to be quite different. I cannot go in and say to the community, "Look, you guys, I want you to form up ranks this way." What I can do though is to help them do something which is right for their community, and so that is why it varies, Mr. Chairman, because every community is different. The problem is much simpler—as Mr. D'Avignon said the other week—in a city like Toronto, where they have local community information centres, and it is a matter of the federal government feeding those centres with information so that they can work with it. In other areas it is more difficult.

Senator Sparrow: I appreciate that it would have to be flexible in certain areas, but it seems to me that the task you have set is an impossible one. If you start talking ethnic groups, if you start talking language groups of new Canadians and language problems, you start talking about regional aspects, and how would you get the information to these different people? It seems to me that my problem, as a representative of the people, is answering their questions, and helping them in their frustration in not knowing where to go. I cannot predetermine what their problems are. I want to make information available to the people who say, "If I want information, where do I go?" This appears to be the great frustration of people; they just have no idea where to go.

Your representative mentioned the other day, when the question was asked about who gives information in that area, that there is, perhaps, a Member of Parliament, or an MLA, or a member of a town council. That is true, but there are many sources of information, and it seems to me that the frustration of people saying, "I want some information, but I have no idea where to go," is not a matter of what information they want. There can be a myriad different problems that might arise, so I cannot determine, and I do not think your department can ever say, with regard to the Meadow Lake area in Saskatchewan, for example, that this is the information they want.

If you took in five areas where they have problems, that, to me, is terribly unrealistic because you have so many government programs and so much information that if you try and zero in and say, "These are five problem areas," that does not work; but with the thousands of problems that the people have, I would like them to be able to say, "I have a problem, be it in my private life or private business or my old age pension. This is the place to go, be it by telephone or a personal interview or any inquiry centre. That is the place I can go for information."

Mr. Ford: Yes.

I think one point is that we frankly realize that we cannot get everybody the information that they want. As Senator Manning pointed out, there has to be a point at which you stop, and in some cases that is realistic. For instance, if you are dealing with fishermen, if the heads of the fishermen's unions, or the people who are asking, know where to go to get the information—

The Chairman: Excuse me. Honourable senators, Mr. D'Avignon had arranged another appointment, and has to leave for it. As this is likely to be the last meeting we will have with Information Canada, I would just like to say, on your behalf, that we greatly appreciate the very great co-operation we have had from you and your officials, Mr. D'Avignon. It has been a pleasure to work with you. I do not think that anything we have asked for, in the way of information or explanation, we have not received; and, in fact, have received it very co-operatively and very cheerfully. That is something that the committee greatly appreciates.

We cannot promise you that the report will be to your satisfaction, but we can promise you that we have had more than sufficient information to give the report very mature consideration, and hopefully we will write a very useful report.

Again, thank you very much, sir.

Mr. D'Avignon: Thank you, Mr. Chairman. Thank you, honourable senators.

The Chairman: Mr. Ford.

Mr. Ford: So that is one point, in short, that we recognize that we are not going to get 100 per cent of the people understanding all that they should know.

The second point, though, perhaps I can illustrate best by taking the city of London. That community, through the Social Planning Council and other people, has set up a community resource called Information London, which attempts to be a central place where people can call for information about a number of things, and they are linked to the social programs and to the provincial services in the city of London.

What we would like to do with Information London is to zero in and give them information on federal programs and set up a system wherby we could get them

information quite easily by their calling our office, let us say, in Toronto. That is your central thing in the city of London.

There does not seem to be much point to having a mobile officer in London, or our own office in London. Let us support that kind of thing; and I think we can, through training, through information, et cetera.

If we are going to a town like Melfort, which I know better than Meadow Lake, there may well be either a library or a group of citizens, or someone who, through help from us, with our expertise and information, could set up something similar and maybe they could get some funding from the Secretary of State Department which does the funding of community information centres, and we again now have a resource in Melfort which could supply that community and the communities surrounding it. If they do not have the information, they can refer the question to ourselves or somebody from the provincial level, or MP, or their MLA or whoever it may be, but there is a central place where people can come.

Even if we have that central place, there will be people who will not use it or will misunderstand it. I guess we will have to look for other ways of approaching that problem, but if we can get at least that in a community like Melfort we have done something, we have supplied a resource there that people can use.

That is what I am trying to get at, senator. I am trying to get at that kind of approach to the problem, rather than tying in all of those communities in Saskatchewan by Zenith line or operating our own offices in all of these communities, because that would be tremendously expensive, and I do not think it would be terribly effective because, in my experience, if people can deal with other people in the community whom they trust, the information then becomes better, and they respond to it better.

Am I making myself clear, senator?

Senator Sparrow: You are making yourself clear, yes; you are making yourself very clear. The only thing is, I just cannot visualize it working, and I do not know—Senator Manning might be able to tell me—how many thousands of communities—you know, cities, small towns and villages—there are in this country, but it seems to me that if you had an organization that tried to develop an information service in Melfort, which they should have, and Tisdale, and every other place in there, if there are ten thousand communities, and I only use that as an example, might you end up with ten thousand different organizations, in theory?

Mr. Ford: No.

Senator Sparrow: And the people who are going to travel around to service these communities, to try to do a cost-benefit analysis in those communities—well, I just do not see any way that that would work.

Mr. Ford: I am glad you have raised that point because, obviously, I have not made myself clear in other hearings.

We, in no way, would even try to set up community resources in ten thousand communities. What you would have to look at—and the senator is quite aware of this, coming from Saskatchewan—is the travel patterns of people, and if you see in that particular province that there are eight to ten areas where people come to shop, or do something, then that is maybe where we can help community groups form libraries or something else; so we are not trying to get one in everybody's back-yard. We are trying to set up as much access as is feasible, but I think that you have to cut a line, or else you are going to spend money like water. Do you agree?

Let us say we have to make this available to a certain percentage of the population and we have to make it as accessible as we can, but we cannot cover everybody. So, that is where we stop. We stop in a close number of communities because we feel those are the most important, because those are the ones that people come to on a Saturday night. That is the best we can do, and it seems to be the best use of our resources which are, and admitted should be, scarce.

Mr. Miller: The problem, taken in black and white, is obviously either to impose a superstructure on existing community information facilities, whatever they may be, sophisticated or not, or to try to utilize the facilities themselves. It is in a very—and I hesitate to use the word—primitive stage. What we had yesterday and throughout all the yesterdays was nothing; there was no facility, in effect, for getting the information, with the exception of the mass media. So we are making our first, tentative steps based on the premise that we are reasonably comfortable with, so far. We may end up in 1984 with a combination of, perhaps, a more highly sophisticated community information network in the private sector with community people, supported by, perhaps, a more sophisticated federal government emplacement in certain key areas, sub-centres or something like that, but that is so far in the future that it is really only speculation. We are going to end up, after a certain period of time, with what will work best in each areas; and we cannot, obviously at this stage of the game, since we are crawling now rather than walking and certainly not running, try to project how this might be done at its optimum efficiency.

But so far it seems that using this technique is the most effective because, at least at this stage, it seems to be the most comfortable for the people. You mentioned, for exemple, ethnic communities or pockets of ethnic population concentration. People tend to want to deal with, to talk with and communicate with people they are comfortable with, so they have their own machinery for finding out what is going on, and it is often an ethnic association of some kind, a travel agent or whatever it is.

I was in a Manitoba native community where the source of day-to-day information is located in the Hudson's Bay store, to which the 2,000-odd residents come, almost all of them, every day and congregate. That is how they get their information about what is going on. This is a community that has no radio and only one telephone. I think they will have telephones at the end of this year, but so far they have no telephones in this community and they are totally cut off. They have *ad hoc* determined ways of getting information. So we, through our mobile officer, have to tap that very primitive community network—it may be just one person—and work out ways of getting the information either to him or her, or ways for him to get the information from us.

Mr. Ford mentioned access, and that is really the business we are in because, as he pointed out, we are

not in the funding business. We cannot give money to set up community situations. We have to use what exists and hope that in co-operation with other government departments, like that of the Secretary of State, these networks will exist and be expanded; but we must utilize what exists now.

The Chairman: This community you speak of, is it a reservation community?

Mr. Miller: Yes.

The Chairman: Well, then, what about the Indian agent?

Mr. Miller: That is an interesting point. Here we get again into another dimension of the problem. The people of this community are constantly being inundated, *ad hoc* again, by government people flying in and flying out—provincial government people, federal government people of a myriad department who come in, and it is hit and run. There is no way for them to have any consistency in terms of the kind of information or the kind of services they get. So, if you are going to succeed, you have to utilize something that is in the community permanently.

The Chairman: Well, what can Information Canada do with a Hudson's Bay store manager?

Mr. Miller: It may be the guy at the check-out counter. Mr. Ford knows that situation a little better than I do.

Mr. Ford: I think, Mr. Chairman, it is a question of whom you pick. You might well pick somebody at a local point, such as a Hudson's Bay manager. You might make sure that he has a selection of material there that is of interest, or you might put him in a situation where he could note the problems that people have and refer them to a central source. That is really one of the most difficult areas.

The Chairman: Well, it is an interesting area. I have some knowledge of the way Hudson's Bay stores operate in northern communities, and a little of the Indian situation. Indian Affairs has its own organization, through its Indian agents which is, albeit criticized a great deal, a lot more effective than people generally give them credit for. Very often a man on the check-out counter does not exist in a far northern area, because normally there is a manager and perhaps a boy to stack the goods on the shelves, since in many places they do not go in for sophisticated check-out processes such as we know here. I would be greatly surprised if you could establish, through an organization like that, an effective information program that would really supplant what the Department of Indian Affairs is doing in respect of information to the Indians.

Furthermore, it seems to me—and perhaps Senator Manning and Senator Sparrow, who know of these situations in their own communities, will agree with me—that you would find it difficult to establish much co-operation in that area vis-à-vis people who are not directly involved in Indian affairs. Is that not so, Senator Manning?

Senator Manning: That is quite right.

Mr. Ford: Mr. Chairman, it is not a question of supplanting. We have a number of federal officers going into the field, and it may not be as simple as saying to those officers, "O.K., you are going into this Indian reserve and you are well aware of your Indian program, but there are other programs in which those people are interested." So you could brief them and give them material on those kinds of programs.

There is an environmental officer who travels the coast of Labrador. It would be quite simple for me to say, "Why don't you, with our help, go in there as a representative of the federal government rather than as a representative of the Fisheries Branch?" Now there is somebody who is travelling up and down the coast already who would be able to brief them on just the elements of unemployment insurance, let us say. That is where Information Canada can roll in. Having a general concern for federal government information, we can back these people up and help them. We can help them perhaps with the problems they bring down off the coast. That is why I said, Mr. Chairman, that we have to be careful whom we pick as this community resource.

In northern Manitoba we are using the provincial facilities a great deal, because they are on the ground; they have people there, and we can help them. We are not trying to supplant or take over or push anybody around. We are trying to use the most effective way, and this varies from place to place.

Another example is the Manpower offices. There are over 400 Manpower offices right across this country, and that is a place that people come to for information. That is a good place for people to obtain information. For example, in British Columbia we have given them stickers to put on their windows and material they can hand out in response to inquiries perhaps not related to a manpower program. We give them a special number by which they can call our office in Vancouver, in the event they have a problem they cannot handle themselves. We thus utilize and broaden an existing federal presence. That is another way of handling it.

On the north shore of Lake Superior the Indians, with assistance from private broadcasters, have established a radio service in the native languages. That seems to be a pretty effective way of doing it. Perhaps we can help them obtain information which they might otherwise not be able to get. These people do not have a lot of funding, nor a paid representative in Ottawa. We therefore help them. They will come to us, and we will put their program in the native language and broadcast it, which is much more effective on the north shore of Lake Superior than otherwise.

Senator Desruisseaux: I do not know whether this will be out of context, Mr. Chairman, or whether the information has already been provided. In reading over the annual report, which I now have before me, I discovered that the major study was initiated to determine the feasibility of converting the publishing and distribution activities of Information Canada to a cost-recovery basis. Later it is mentioned that an analysis of relative cost-revenue data on publishing and distribution, made in early March, 1973, was submitted to the Treasury Board March 16, 1973. Has that been made available to the committee, Mr. Chairman?

The Chairman: I will ask Mr. Trickey to come to the stand.

Mr. A. G. Trickey, Assistant Director General, Information Canada: I can answer your question reasonably succinctly. I am not aware that this report has been made available to the committee, but if it is your desire to have it, Mr. Chairman, we certainly can make a copy available to you.

The Chairman: It is a good point, senator, and we would like that information, Mr. Trickey.

Senator Gélinas: Mr. Chairman, I am not a member of your committee, but may I ask a question?

The Chairman: We are pleased to have you here, sir. Please do.

Senator Gélinas: Do organizations similar to Information Canada exist in other countries? If so, where are they located?

My third question is: If there are similar organizations, have they been contacted and could we benefit from their past experience?

Mr. Miller: To the best of my understanding, there are organizations similar to Information Canada. They are not involved to the degree that Information Canada is beginning to be in providing information on a regional basis.

In Great Britain there are organizations known as citizens' advice bureaux. Several hundred of these have been created and funded by a governmental organization in the social affairs area. They provide a broad range of information, not in respect of government concerns or programs, but in all areas, such as legal and social advice of one kind or another. I was in Britain two weeks ago, speaking with information officials regarding some of our other concerns, in an endeavour to ascertain some of their experience that might be of benefit to us.

I was struck by the fact that the British government, strangely enough, in its information capability in the regions, was not utilizing contact with these citizens' advice bureaux. This seemed to us, on the basis of our own experience, to be unfortunate.

We, in Canada, are endeavouring to do the reverse and make use of locally emplaced information facilities to do our work for us, in effect. We are resourcing them, not in a monetary sense, but in an information sense.

Mr. Ford and his personnel are, in effect, in large measure breaking new ground. Indeed, the Americans have been speaking with some of his people and obtaining advice from us as to how we might help them. So, in effect, it is a kind of pioneer effort. At least, that is my information. There may be other information which suggests that other countries do this.

Mr. Ford, when he was involved in the task force on information, travelled and investigated extensively in other countries to determine what was going on. To the best of our knowledge, that is an area that no one has attempted before.

Senator Gélinas: Thank you. I must say, Mr. Chairman, that I was impressed by Senator Manning's suggestion regarding working with the private sector which I hope will work out some day.

Senator Yuzyk: In the Prairie provinces, as in other regions of Canada, there are many settlements, as we are aware, of people who speak languages other than English or French. There are large German-speaking, Ukrainian-speaking, Icelandic-speaking and Polish-speaking communities. Indeed, on the Prairies half of the population is neither British nor French. Their languages are now taught in the public and high schools and at universities; they have radio and television programs; and the ethnic press publishes in various languages in weeklies and magazines. I understand from one of our other committees that approximately half a million readers make use of these various organs of the ethnic press.

I am sure that you will have encountered the problem and that there must be a need and demand for information in some of these languages. Is Information Canada prepared to provide information in such languages? Do you have, or are you establishing, a program to provide at least some information in these languages?

Mr. Miller: The answer is yes, we are presently working with officials of the Citizenship Branch of the Department of the Secretary of State, who have themselves established links with ethnic communities and ethnic non-English/French media. We are attempting, in collaboration with them, to determine methods by which to improve the communications process, again, if there are established organizations which are in that business and are dealing daily with people who desire information in other than English or French. So, the answer—at least provisionally and at this time—is yes, we are working on it. In fact, we have not implemented anything because the conversations are at a very early stage; but that problem has been recognized and is being dealt with.

Senator Yuzyk: Are you making any use of the facilities, say, of the press and radio and television programs that are now operating?

Mr. Miller: Again, the answer is yes. The federal government departments—and there are a great number of them—who are disseminating information on their own programs, have contacts with the ethnic press and are feeding information to the ethnic press. One of the objectives of our involvement, senator, is to try to coordinate and to make more efficient this communications process, because there would seem to be some duplication occurring in each department. So we are trying to help bring some cohesion to that program, so that people can, in fact, get the information they want in their own language, either created originally, in terms of literature and that sort of thing, or utilizing existing programs or press facilities.

Senator Yuzyk: Are you making use of some of the mobile officers who would be able to handle some of these languages?

Mr. Miller: Mr. Ford would probably be able to answer that.

Mr. Ford: Yes. In our initial survey in Western Canada, one of the things we wanted to get was information on how much of a problem language was. When we sur-

veyed, we surveyed on a language basis. In Nova Scotia it was on an occupational basis. We found that people speaking German, to some extent Dutch, and to some extent Ukrainian, outside of urban areas, had a problem obtaining and understanding federal government information. We are at an early stage in trying to fill the needs of those people, but it is very much on our mind. The problem has been established. They have a more difficult time, or feel they have a more difficult time, getting information to persons in, say, urban areas. There is a problem there which must be met.

Senator Yuzyk: I am glad to hear that you are starting to do something in this field, because some of these people who do not understand either of the official languages would be deprived, really, of information that would be very useful to them. I get letters in some of these languages and I try to reply; but I am just one person. Some M.Ps forward letters to me for translation, but I cannot have my secretary translate letters for everyone wro requests such a service. I do send to the translation bureau, incidentally, because a person who has a difficult problem writes a long letter and, in reading that letter, sometimes it is rather confusing, because he is not sure how he wants to state his particular problem. It means that you would have to have somebody in Info Canada who could try to handle complex problems of this kind in that language. I am glad to hear that you are gearing yourselves to providing such a service.

Senator Carter: Mr. Chairman, I gather from what Mr. Ford has told us this morning that these mobile officers, if they are really successful, work themselves out of a job.

Mr. Ford: That is correct.

Senator Carter: Then the officer can either move on to another area and deal with that or somebody else will do it. They are there only on a temporary basis. In all of our hearings we have concentrated on how we can go about getting information to people about government programs, helping them to understand it better, advising them of the facilities that exist, which people can take advantage of, and providing information that people request with regard to their individual problems.

However, as I understand it, Information Canada has another role, which is to get information from people back to government. We have not heard very much about that; we have not concentrated very much on it. I should like to have some information on what is being done, particularly as this is probably our last meeting with the officials.

Mr. Ford: We get a large number of inquiries every year. We have set up, and are testing now, a format whereby we can get more information back to the government about people's concerns. The coding sheet is simply giving us information about the department, the activity, and the section involved, in terms of the question. Secondly, it gives us information on what information materials are available, so that we may have an idea of where the gaps are. Thirdly, with the permission of the caller, we try to get some information about the background of the person asking the question, such as whether it is a man, a woman, the language, occupation, et cetera. With this kind of information, and with the assistance of a computer, hopefully we will be able to pinpoint that there are these kinds of questions being asked, the people asking them, where they live, and then determine what our problems really are. It will enable us to give better guidance and advice to departments on how to solve this problem. That is one method of doing it.

At the present time we are starting this system with our inquiry services. We hope to move it into the field of mobile services so that they can code up their information in somewhat the same format, and bring it into this system.

The third thing would be to work with community groups, where set up, so that we can have them coded and thus enable us to get more information.

We may have to do some further research on problem areas identified in the print-outs. In other words, we may say, "The looks like a problem, but we have not enough people there to make it statistically valid." It would be simple to take approximately 50 phone calls to see if, in fact, it is a problem, and then present it to the departments so that they can take some action on it.

Senator Carter: When you get it to the regional desk, or it comes to the information desk, what happens? Do you compile it? Do you deal with departments individually, or do you give it to a central person in government? How does it get to government?

Mr. Ford: It can be done in a number of ways. If it appears to be a regional problem, we can have our people here in Ottawa assess it and have a look at it, and we can make a suggestion to the interdepartmental committee at the regional basis. If it affects a department which does not have an office in the region, or it looks more like a national problem, working through Information Canada's communications officers here in Ottawa we can present it to a department, or a number of departments, at the national level and say, "This looks like a problem. This is where you people are not getting through. What can we do to help you get the message across?"

The Chairman: I felt, from previous testimony, that largely this would be a statistical analysis of the sort of questions you were asked.

Mr. Ford: No, Mr. Chairman. What we are trying to get down to is what the problems are here.

The Chairman: It seemed to me, again from earlier testimony, that an attempt had been made to delineate problem areas, but that you had found it had not been very practical—I am talking more specifically of the inquiry sectors—that you had done a certain amount of work in statistically compiling the sorts of questions that had been asked, and had passed on that information to the departments. But you did not see your role—I am separating it from the role of advising government departments that their information programs are not getting across—as being a receptive organization to find out what problems are bothering people. I drew the impression from earlier testimony that it was generally felt by Information Canada that this was a role they would not be able to play too well. I think that was the information-in, was it not?

Mr. Ford: So that I understand the question, it is a question of feedback on problems and information, as opposed to feedback on problems regarding a substantive program?

The Chairman: I do not think Senator Carter is concerned with the feedback on how effective the information services are. He is more concerned with the problem that the member of Parliament has as to what the people want or what is bothering them, what is concerning them. I got the impression that that type of information-in has been downgraded as part of the undertaking of Information Canada, purely and simply because it was simply too massive an operation for it to be involved in.

Mr. Ford: If I understand the question correctly, Mr. Chairman, the answer is that to date our work has been on existing programs and existing information. We are not running a Gallup poll where we ask Canadians what their concerns are or what programs they would like to see in the future.

The Chairman: Your concern is advising them on how to get the information out?

Mr. Ford: That is correct.

Senator Carter: Perhaps I can give you an example of what I am driving at. A few weeks ago the Honourable Mr. Davies, Minister of Fisheries, made an announcement with respect to some new fishing regulations which involved subsidizing licences for boats, and so forth. Members of Parliament interpreted those new regulations as being harmful, and their opinions received wide publicity in the press. However, the president of the union involved took the opposite view. So, in those circumstances, you have a program which is not fully understood, and growing out of it is a certain attitude among the fishermen themselves, who number 15,000 or 20,000.

What are you doing to convey the attitude of those fishermen concerning these proposals back to the government apart from the fact that you are telling the government that it has not done a very good job and the people do no understand it, and that you are trying to explain it? What I am really trying to ascertain is what you are doing to convey the feedback to the government as to how the people feel about it.

Mr. Ford: Yes, I understand. As you know, we are not as yet set up in Saint John. If we had an inquiry service and mobile officers in Saint John we could do a number of things. If a number of people called the inquiry service and seemed confused about this particular issue, we could bring that to the attention of the department. Also, if there was a mobile officer working in that area and he or she received a lot of questions about this program and there seemed to be confusion concerning it, that could be drawn to their attention as well, simply on the basis that these people seem to have questions concerning the program and there seems to be some confusion about it.

Senator Carter: I also have a question or two on the budget. However, perhaps you could move on, Mr. Chairman, while I get my papers in order.

The Chairman: Fine. Senator Manning.

Senator Manning: Mr. Chairman, two of the most extensive contacts with the Canadian people, as far as the electronic media are concerned, are the national news programs on both radio and television. I am wondering whether any consideration has ever been given to arranging for a clip at the end of the national news telecast on both radio and television. I have in mind something to the effect of information about Canada and the public services provided by Parliament being available to all Canadian citizens through Information Canada, with an address to which inquiries could be addressed.

Personally, I do not see why such a method woulld be out of place as far as the CBC is concerned. After all, the Canadian taxpayers pay a couple of hundred million dollars a year for that operation for which, in the view of some of us, there is not much in the way of return.

Why would a 20-second clip at the end of each national news broadcast not be appropriate? It would reach several million people daily and drum the message into them that information is available by contacting Information Canada.

Senator Yuzyk: The CBC is an information service.

Senator Manning: That is all the more reason why it should be done. Primarily it is a news service. It is not an information service in the same sense as is Information Canada. I would think that the other network, CTV, could just as easily carry this type of message.

What I am trying to get at is why we are not using all of the existing contacts available with the Canadian people in the information field simply to advise them that information concerning Canada and the public services provided by Parliament is available to all Canadian citizens through Information Canada.

It seems to me that such a program would do more to make Information Canada known to the Canadian people than the types of contacts now being used. Such a contact, inviting and encouraging the Canadian people to inquire, would have a much greater effect than trying to reach them through local offices and the other means of contact being utilized.

Mr. Miller: Perhaps I might respond to that, Mr. Chairman. I am not denying that it is a very interesting idea. It is advertising, to a degree. Certainly, the CTV network would view it as advertising. In that sense it would be a costly endeavour.

The Chairman: Well, the CRTC can require the networks to carry such an announcement. I think they have done that in the past with similar types of things.

Senator Manning: We are only talking about a 20-second clip.

The Chairman: The CRTC can require the network to carry public service announcements.

Mr. Miller: Yes. It is an idea that we have not thought of. It is an interesting one. We have been investigating other less direct means, certainly, of getting the story across.

Information Canada is a complex thing, believe it or not. I should not necessarily be famous for itself. W are a conduit for information; we are a receiving point.

All I can say, Senator Manning, is that it is something that we will look into. It is a very interesting idea. Whether or where it ought to be placed or advertised, if that is the word, in this information system ...

Senator Manning: It is advertising, yes, but one of the fundamental things about advertising is that you have to tell the people, in simple language, over and over again about the product or service. The most effective way of doing that would be following the national news casts. They are on at the same time every night, 365 days a year. The operating costs of the CBC are paid for by the public. The CBC deals with information, although admittedly in ano her area. Nevertheless, it is not completely remote from the field of information. Such a means of contact would seem to be very appropriate. Perhaps the Director of Information Canada could be used in this clip.

Such a means of contact would get you more inquiries and make Information Canada known to the Canadian people to a much greater extent than would the spending of hundreds of thousands of dollars in efforts to contact people in individual communities.

Mr. Ford: Another way of doing that would perhaps be to take a number of major programs that are coming into being and indicating, in perhaps the way the senator indicates, that that kind of information is available in Information Canada or another department, and have a pamphlet, or whatever you think is effective, perhaps a mimeosheet ready to go, so that when the inquiries come in it is just banged into an envelope and there is a fairly good piece of information there, perhaps in a number of languages, that people could get.

Senator Manning: My only reason for suggesting one general clip is cost.

Mr. Ford: It could be done in a number of ways.

Senator Manning: Once you start using a bunch of advertising programs you are into big expenditures and a lot of work. A 20-second clip, which can be used over and over again, is so simple, it does not cost very much, and should be done for nothing as far as the CBC is concerned; it would be a little dividend for the $200 million we pay them each year to do something.

Mr. Ford: Another approach, because this is an interesting idea, would be to say that if there is an information problem you should call Information Canada, and then, where they exist, refer those people to the communi y information resources that may have been set up in that town.

Senator Sparrow: Senator Manning meant a national program; it must be simple so that it applies to everybody in Canada.

Mr. Ford: If you got involved in finding information in your community, they could write to Information Canada and we could refer them to the local information office, say. In that way we do not get a bundle of mail coming into Ottawa that will take 1,000 public servants to go through. There are variations of the techniques, but it is certainly an interesting idea.

The Chairman: Let me follow Senator Manning's line of questioning. You said earlier that people are reluctant to use Zenith lines.

Mr. Ford: That is correct.

The Chairman: I do not disagree with that. On the other hand, I would be willing to bet that if a campaign were put on to show that information on government srvices was available by calling a certain number, it may take a little time but people would tend, over a period of time, to make use of that number.

It seems to me that you have sort of closed your minds to this concept of using the inquiry centre and have got carried away with the mobile information officer program. For example, in the Nova Scotia experiment there are seven mobile information officers and two inquiry centre officers. The emphasis is clearly on this concept of getting into the remote areas.

In the report that we received in the answers to the questions you say:

> The mobile information service reaches such persons on an individual one-to-one basis and in small-group situations.

This is not your writing; I think this is a synopsis of the independent research documents. This is not yours.

Mr. Ford: No.

The Chairman: However, it does delineate the point. Talking about the tremendous varieties of constituencies that are involved with information needs, it says:

> Starting with Youth as our example, we can illustrate the point in the following way: Immediately, you can break Youth into university students, high school students, young people with jobs and unemployed youth. Already, we have four different sets of information needs. Consider now that these youths might be Francophone, Anglophone, immigrant or Canadian Indian. They come from ten provinces and two territories. They live in cities, villages and on farms. They speak dozens of languages, have dozens of different political philosophies and dozens of different needs that range from loans and grants to unemployment insurance to health care to family counselling.
>
> Then there's the counter-culture and the fact that the youth market crumbles into a whole series of small markets with just one basic thing in common: everyone's between 16 and 25. So far a generalization is hardly an adequate base for solid planning with communications and yet, given the current system of communication, it is the best we have.

I just get the feeling that the attempt to tailor the information services of government into all these constituencies, admirable as it may be, is in effect a self-defeating proposition, and even if it were to be successful it is only at a really substantial cost.

I keep coming back to Mrs. Nickerson, who I think sees her job, not as an information officer, not as a feedback officer, but as a social welfare officer, and she is out there to solve the problems of the people. That is her whole attitude. I am not being critical of Mrs. Nickerson. I think she is obviously doing an effective

job, as she sees the job. But it is not a job of finding out the information needs of the community. It is a job of solving difficult social problems on behalf of the community. As it says here in your report:

> The mobile information service reaches such persons on an individual one-to-one basis and in small-group situations.

I just think you are lost before you start.

Mr. Ford: May I reply?

The Chairman: Please do.

Mr. Ford: You quoted at one point from a document which we indicated was not our thinking.

The Chairman: I know, and I did make that clear.

Mr. Ford: Yes, you did.

The Chairman: I was quoting from that to indicate how diverse one market, the youth market, is. You are right; that is not your document, but it is a definition of the diversity of the market.

Mr. Ford: Yes, that is right.

The Chairman: That is only the youth market.

Mr. Ford: That is correct. It is a definition of the diversity of the market. The reason we try to make clear that this is not our document is that we feel in some ways it is an idealistic approach to the problem. It underlined that there was a problem, but obviously one cannot break down these markets in a tremendously effective way; the information program soon becomes so horrendously costly that it is just impossible to think about. That is one point I wanted to make. We got some things, in fact a number of things, that are useful from that report, but we did not totally accept the philosophy expressed in that report. We gave it to you as background reading and for information.

The second point is that the mobile officers do work on a one-to-one relationship sometimes, simply to find out more about what the people in the communities need in the way of information. In a document that we have also made available to the committee we cite in section C examples of ways in which mobile officers communicate other than on a one-to-one basis. We try to indicate here some of the things we are doing to become more effective than on the one-to-one situation, and it ranges through a number of methods.

The third point is that Mrs. Nickerson is saying a number of things about problems in her community. To find out about those problems she has to work with the people there, to understand them, and the reports she sends back to give us information on the information problems. She cannot be remote, it seems to me, from the community; she has to get in there to find out what these people want in the way of information and understand their problems so that she can give us a better understanding of the way this might be dealt with effectively. There is no better way of finding out about a community than trying to help them with some of their problems; it seems to me to be a good way to do it. You are helping a person, but at the same time you are gaining a greater knowledge about what that community needs in the way of information. This is the way we have gone about it.

We did not want to take a kind of Harvard sociological study of "the" poor people in "the" region, go in and watch them and then come back with an erudite effort, that probably would get us marks in some academic circles. We wanted to work with the people, help them with their information problems, and on the basis of that realistic kind of work come back with some assessment of how the federal government might make its information programs more effective.

The fourth point is that the Zenith line could, it seems to me, with respect, be a trap. There have been Zenith programs that have been effective. One is the National Revenue campaign at the time the income tax forms are filled up. That is a one-shot effort, which is highly promoted. I am going on memory here, so you will want to check the facts. As I recall, that program cost $900,000. That is a lot of money, and it was got through in a very short period of time.

The Chairman: As a matter of fact, we are having National Revenue here tomorrow, and that is one of the matters we propose to discuss with them.

Mr. Ford: You can check my facts on that. I think it is costly. You will get the time and duration of it. I am not saying it was not effective. People did call and did get information, and probably with the changes in income tax it was a useful thing to do. What I am saying is that if you take that as a base cost, and extend it across the country on a year-to-year basis, you are into a lot of dough, it seems to me. That is why we have tried to work with community organizations and put them in a place where they could take some of the role. In a sense, it is rather what Senator Manning was saying: Let us go to the private sector and see what they can do to help us with information; let us go at the same time to the community sector, to see how they can help us do this job; let us have them there, out in the front in this, because they are interested in doing this, in some cases.

It seems to me that that is a good way for a central agency to be, to spin off these activities to the private sector or the community centre, because they can probably do it better and we can help them to do it.

The Chairman: Are you not subject, under those circumstances, to a great deal of misinformation being given to the public? And, secondly, you do not reduce the pressure on your inquiry centre because you are promoting the organization to call in and make its inquiry. In other words, it becomes a conduit, and, instead of the citizen calling, the community organization calls.

Mr. Ford: Mr. Chairman, I think that if we can work with good information centres they will be able to screen out a large number of calls and deal with them adequately. Most people who call do not have very esoteric questions; they want to know what they can get out of Manpower or Unemployment Insurance. They can screen out those calls. Sure, they will be calling us, but they will be calling us less frequently than if we open up the tap and have an arrangement whereby, let us say, for the sake of example, everybody in Canada can call Information Canada through some kind of Zenith system. That seems to me to be an expensive proposition. And I

am not sure that it would be effective. I would think that if an organization such as Information London is there, and is providing a good service, we would obviously, as Senator Manning has said, assess its objective, we would have a look at its conduit operation and would make sure that it is doing a good job. We do not take that activity and say, "That is yours and we are never going to come back again."

We are subject to funding through the Secretary of State Department, in the province of Ontario and the municipality, and we would be looking at that. We want to make sure that they are doing a good job. If they don't, we will have to make some other kind of arrangement. We are trying to share the burden.

The Chairman: I think what you say could be right, if you could follow up it. I think the operative word is the "effective" organization of people. I begin to question when you are talking about the clerk at the Hudson's Bay store.

Mr. Ford: I do not think the Hudson's Bay store is the typical example.

The Chairman: I know; that is not a fair one. Just looking at your report here, I wonder if that is what you are getting out of the mobile information officer program. Listen to a quote from the report:

> A public health nurse was overheard telling some people how valuable Information Canada is to her. She can now give more attention to medical problems, referring her clients' other problems to the mobile officer. This previously took a great deal of her time. The mobile officer frees her to devote more time to her specific area of responsibility, and also serves her clients better as he is able to speed up the process by which they receive OAS, UIC, Workmen's Compensation, Social Assistance, etc. That is on page 2 under tab B.

Then again:

> Mobile officers are extremely active as liaison between citizens and various levels of government.

Again, on page 3:

> Mobile officers are frequently directed by municipal councillors to problems areas in their districts, as they feel the mobile officer is in a better position to answer questions than they are themselves.

Then we were talking about feedback. Item 7, on the first page of the feedback under tab D, says:

> In response to feedback on difficulties experienced in making application for shell housing, Central Mortgage and Housing instructed a mobile officer in the proper procedures, and she has since assisted several to make shell-housing application.

I could go on. It is an attempt to make a point that, while you may see the mobile officers as going out and organizing community resources to become inquiry centres, and while I may say that if that were the case that could be very useful, provided they are effective people; it seems, time and again, that the mobile officers see themselves as social workers and they go out to solve problems for people.

Mr. Ford: Mr. Chairman, I think that in a document we gave you before we tried to set out the staging of this as clearly as we could. If you recall, step one was to talk to people in the community about their problems and try to assess what the community resources might be. Step two was to deal with information problems on a one-to-one or group basis, to find out more about the real problems of that community. So, in a sense, if the public health nurse is starting to refer to us information problems, by dealing with those problems we find out more about the communications problems in a certain area. Step three was then to start formulating, with the help of the communities, better information networks. The last step was to go back and make sure that those networks are maintained.

In other words, Mr. Chairman, I am not arguing at all with what you said. It is quite true, and this is why it is there. It is there because that is how we find out. We did not want to go in with a Ph.D., as I said before, and do those surveys which are always done in those communities. If one has lived in them, they are sick to death of being studied. So we can help them by doing, and that is what we are trying to do. But there is a step to it, and you have caught us in mid-stride. We are not all the way there, and I have never indicated that we were. What we have tried to indicate is what our goal is in this sort of thing, and you have caught us halfway between working on the one-to-one and starting to work with groups. That is where we are in our present stage of development, and I am not arguing that with you. What I am trying to indicate in my testimony is that there are other stages there.

The Chairman: And that is the means of getting to it?

Mr. Ford: That is the means of getting to it. I am not going to go to a Newfoundland fisherman and say, "I have a questionnaire here with fifteen questions on it", because he has had it up to the teeth. I can see he is upset, but I can get to him if I can help him, and then I will understand his problems and will be able then to interpret those to the departments. That is the role we have chosen; and, as I say, evaluations indicate that this role, this attitude, this approach, has been a good one. We are getting to the problems.

Senator Manning: Is it not inevitable, on the one-to-one basis, that the social concerns, the social problems, are bound to become the most prominent factor, because if you talk to people on an individual basis, especially if they have problems, any interest they have in information is purely incidental to the problems that they are worrying about?

Mr. Ford: Yes.

Senator Manning: If a man comes into a community and is talking to the fisherman who is worrying about his unemployment insurance and so on, or whatever it may be, the man going in may have the best of intentions and think, "I am going to tell him about the information that is available to him, what he could have that would be helpful"; but the moment he talks to that man, he finds that that is about the last thing on that man's mind. He has a social problem, so, no matter how desirous your individual might be of keeping this in the Information Canada field, he is going to end up being a glorified kind

of social worker, whether he likes it or not, because these are the problems that people are going to press home on him.

I do not say that in criticism. I say it is unavoidable and I say it is one of the reason why, in my opinion, the one-to-one basis is not going to be helpful to you, except on the limited experimental basis to find out what the weaknesses are and what the people want.

Mr. Ford: This is what I have been trying to indicate. When we go into a community or communities, most people—Senator Manning is quite right—do not phrase their problems in communications terms. They say, "I don't know anything about this unemployment insurance program that has just been announced", or, "I've a problem here." So, in dealing with them, you talk about their problems; but in the regional office they are assessing those in terms of communications, and we are beginning to find out more about the communications problems there. The program cannot just proliferate and become a group of social workers. I think this is a useful way in which we can find out about the communications problems, by talking to people in the terms they use. They say, "I have a problem" and you assess it, and see that basically it is a communications problem.

Now, to be honest with you, in terms of building or helping to build community resources, that will vary in time. I am trying to define for you "temporary". In some areas of southern Ontario and areas of Alberta and Saskatchewan, that will not be very difficult to do in terms of time. In other areas I am not sure. I think we will have to be a lot smarter and will have to work at it a lot harder. It will take a longer period of time because the community is in a different stage of development or perhaps has less resources.

But the goal, as I was trying to say, Mr. Chairman, is to create methods for getting to those communities better information which is of use to them. That is the goal. Sometimes it will take a very short time. Sometimes it will take a longer time, but that, it seems to us, should be the goal of the whole operation.

Senator Manning: The only point I would like to leave on is that this type of thing must be very much restricted, because you have 22 million people in Canada who all have problems. Problems are not peculiar to the fishermen out on the coast of Labrador. I can take you to Calgary and show you a group of oil men who are semi-millionaires, and they have more problems than they care to talk about, and a lot of it has to do with information.

Mr. Ford: Yes, that is right.

Senator Manning: You are not going to contact enough people to get any indication of the picture across Canada in this way. It is helpful in that it will bring to light certain basic weaknesses...

Mr. Ford: That is right.

Senator Manning: But it should not be regarded as a main avenue of development.

Mr. Ford: No. I think at the hearing last week we discussed priorities, and, as I stated before, the priority is to try to make the system more effective. Certainly, we should and will be limited, if the program is approved, in the number of mobile officers.

What we would like to do is start with areas of greater need, then move to other areas and eventually dispose of the project altogether over a period of time. As I say, though, in truth there will be some areas where this will be quite difficult to do.

Senator Manning: If I can come back for one moment to this idea of trying to use existing communication channels such as news casts to publicize Information Canada, if serious consideration were given to that, I would suggest that it would be extremely important to word such publicity in a way that, I would say, does not even mention "government". You could say "Parliament," but even if you go as far as saying "government services," you are going to get criticized by somebody saying that this is political propaganda for a particular government in office. Governments change. If you use such terms as "Parliament" and "Canada," these are continuous and I think you could avoid that. Unless that is watched carefully, you will get political feedback that this is propaganda boosting the stock of a particular government.

Mr. Miller: As you may know, we are extremely sensitive to that problem.

Now, if I may, Mr. Chairman, I want to respond to a point you made about ten minutes ago, because I do not think we successfully answered it.

The Chairman: You successfully held yourself in check all this time.

Mr. Miller: I was so interested in the conversation that I felt it would be bad to intrude. The point was related to our relative weighting of the importance of inquiries versus the mobile operation, and I wanted to make a couple of points.

First, right now our priorities are very much in making sure that we have a national inquiry service. We are preoccupied with that. We must, we want to, and we will have an inquiry centre in every province in the country by the end of this fiscal year, and that is very important to us and we do not discount its importance.

The second thing is the reality, as must be obvious—indeed, it is to us and to you as well—that, when you are dealing in the mobile area with remote areas, with people who are hard to reach, with people who have not been well reached or reached at all with information, the cost factor is greater. It just costs more to get a single piece of information to a person in a small community than it does to get information to a person in Ottawa, Toronto, Montreal, Vancouver or Winnipeg. That is a fact of life.

We are well aware that we can only go so far and that we have to order our own priorities, just as people do in the private sector. It is necessary to get business initially from the place where it is easiest to get it, because it costs less to do so. That is the way we are ordering our priorities.

We are doing what we can do best first and the more difficult things we are easing into, and easing into them very carefully with as much research and as much advance planning as we can have.

So, in the mobile area we are, as I said earlier, very much crawling before we walk. We are making our way in some cases judgmentally. But we are very much aware of the problem; and the magnitude of the problem, as the senators have stated, is incredible. We are not ever going to do the job; the job is never going to be done well; but if it can be done a little better than it has been in the past, then I think we are ahead, the government is ahead, and the people are ahead.

Senator Sparrow: It seems to me that in a less complicated society, as we had in the past—and society is getting more complicated all the time, as we go along—on a federal basis, in terms of information, the most important person was the Member of Parliament. If the people in the community had a problem which they thought affected the federal government and themselves, they contacted their Member of Parliament.

Now it seems that we are discounting the Member of Parliament in our thinking. Either he is not capable or is not qualified to handle these inquiries; or, perhaps, the job is just too large for him or there are too many problems, too many inquiries, for him to handle. So we are by-passing him. In our conversations and in our hearings we have barely touched on the Member of Parliament, as such; your department is ignoring him in your discussions, and we are ignoring him in our discussions, as such.

It seems to me that what we should do is expand the role of the Member of Parliament. He is the key person in that area, in that region in Canada, and the information or inquiry should go through him and should be filtered back through him as much as possible.

Going a little further on that—and I am not sure this is the right word—I feel that you should not be *initiating* information. I do not feel that should be the role of Information Canada at the present time. Perhaps in the guidelines for the future it might be, but if, for example, the Department of Agriculture brings out a program, that department now accepts the responsibility of informing the agricultural community of that program. That happens to be their job. Where you come into play, or should come into play, is, when a month, two months or six months after this initial program has come out from the Department of Agriculture, some citizen says to himself, "It seems to me there was some agricultural program I heard about, and I wonder what program that was. Was it under DREE or Agriculture or what? I don't know where to get that information. Oh, yes, I do! I can find it out from Information Canada. That is where I will go, and they will direct me." That, in my opinion, is the service which Information Canada should supply. They should direct that type of person to the source of the proper information, and not go out into the community asking what information the community wants or needs.

Unless there is some political issue involved with, for example, unemployment insurance, or unless a particular person is unemployed, that person is not going to be the least bit interested in being filled full of information on unemployment insurance, if it is of no value to him. He is the one to determine what information is valuable to him, not someone else; not me or you or anyone else.

Senator Carter: Just before the witnesses answer that, Mr. Chairman, may I say that I agree only partly with what Senator Sparrow has said. I agree with him that the Member of Parliament should not be by-passed, but I do not think the Member of Parliament is always the best one to inform people

I do not want to be political, but I do know of a number of government programs that have been ruined because Members of Parliament have set out to misrepresent what the program was; and, surely, if we are going to have a working democracy—and I think Mr. Miller mentioned this—that democracy would function better in direct proportion to the degree to which people are informed. Surely, also, there must be somebody, or some agency, to whom they can turn to get the facts; not people's opinions about programs, but what the facts really are.

The Chairman: I do not think you and Senator Sparrow are in much disagreement, Senator Carter. What Senator Sparrow is saying is that the role of Information Canada should be purely to assist citizens in getting information on programs. Their role should not be, as he put it, to fill their heads with information that is not terribly useful to them at the time.

Senator Carter: I did not understand him in that way, because the people do not understand what the programs are. All Senator Sparrow said is that all Information Canada should do is to tell the people whether that program was under DREE or LIP, or something else, but not to enlighten the people as to what the program actually was.

Senator Sparrow: No, I did not go to that extent, Senator Carter; but they admit they do not have the expertise to be totally familiar with every government department. They can answer simple questions and give simple information, but if that is not sufficient, then the person must be directed to the government department. I think that is true.

The Chairman: Perhaps you can address yourselves to the question, gentlemen.

Mr. Miller: I would like, if I may, in a general way—and perhaps Mr. Ford has more detailed information on this—to deal with the two parts of the question as I saw it.

One part was the possible bypassing—and I underline "possible"—of the Member of Parliament. That is not the case with Information Canada. In fact, I have personal experience with Members of Parliament whom I have met in the field, to whom we were in fact supplying information, and this is part of the regular process: Members of Parliament and members of provincial legislatures are in fact coming to Information Canada with requests for information so that they can answer questions from their constituents. So, we are doing everything we can, and are dealing, I suspect, on a daily basis, with the elected representative; so it is certainly not an attempt to bypass the member of Parliament. In fact, it is yet another and a very important area, as you pointed out, of information dissemination.

The second point I want to respond to, if I might, is the business of initiating information with respect, for example, to the Department of Agriculture's information programs. They are the responsibility of the Department of Agriculture, and we become involved in the dis-

semination of that information at the beginning only when the Department of Agriculture, or any department, requests us to do so, in ways in which we might qualitatively improve the delivery of that information. We do not disseminate information in that sense. We have no involvement with the content of any information that we relate to. We are messengers. We occasionally, like some messengers, get shot for delivering the message; but the fact is that this is the responsibility of the departments, and we are aware of that, and we help them when we can; but we do not initiate information programs.

The "b" part to the second area is that we do not, in my estimation at any rate, go in and buttonhole people and say,, "This is information that you will want to have." We want to find out where the information gaps are, and try, through whatever facilities are available, to fill those gaps.

Given the two roles, of "active" or "passive", ours is a passive role. We are access points, and make ourselves available, in effect. We are not social animators; we are not going out organizing the people, at all: we are just trying to make as much information available as we possibly can though whatever conduits are available.

Mr. Ford: Perhaps I could just underline that very briefly. The inquiry services do not bypass Members of Parliament. If a person asks for the telephone number of a Manpower office, or some other information, we give them that. If they want to get in touch with their Member of Parliament, we do that and help them in that way. If they have a policy question, it obviously goes to the Member of Parliament so that, in effect, we are assisting the Member of Parliament to do his job better because we can take out of his work day a lot of questions such as, "What is the telephone number of . . .?" or, "Where do I go for that?" In that way, he can deal with the substantive issues of his particular riding.

It is interesting, as well, that in Ottawa a lot of M.P.s are calling our Ottawa centre and asking for information and asking us to pass it on to their constituents. I think there is a good rapport there. In the field, with regard to the mobile officers, I understand that most of them have a happy relationship with the Members of Parliament. They understand what we are doing.

Our programs are based on need. I am not trying to tell the people in Labrador what some obscure treaty did for British Columbia. I am trying to get them the information they need, and they come to us and say, "These are the things we would like to know more about." We are basing it on need, and to meet that need, as I tried to describe before, we are helping the departments perhaps to initiate their programs better, but we are not initiating the programs ourselves. We can help them, with the feedback that we are getting from the field, to produce, perhaps, a better program. We can help them deliver information, as you said, Senator Sparrow, on programs that exist already, and be a contact point for them. The bulk of our documentation is departmental, so we are of assistance to the citizen and the department. We are not trying to set ourselves up as a mammoth information agency, grinding out information on its own.

The Chairman: Are there any other questions?

Gentlemen, I have already thanked Mr. D'Avignon, and that is ecumenical—you can pass it on to the others. The committee is delighted with the hearings, and we wish to thank you very much.

Mr. Miller: Mr. Chairman, at the last meeting I believe you asked for information on the budget for the Atlantic region, and so on. I have extracted from our records the budget for this year for the Atlantic region, and have projected what we think is going to be spent in the Atlantic region in 1974. We have not reached the end of the year 1973 yet, but I can leave this with you. This covers both the Atlantic and the Prairie regions.

The Chairman: Thank you. We will have copies made. This is not a confidential document, I take it?

Mr. Miller: No.

The Chairman: The other thing you might give us is the biographies of all your mobile information officers, present and past.

Mr. Ford: I think you have that.

The Chairman: I do not think we have. Mrs. Nickerson's is the only one I recall. I just looked through that earlier information on the regional officer program, and there were all sorts of references to the sort of people hired, but not specific biographies. Thank you very much.

Mr. Ford: May I just say something, Mr. Chairman? From my point of view, I have found it immensely useful to be here. This is a new program and, as was just said, we are pioneering. I have found it very useful to come here and have these hard questions put to me. It has helped me develop my thinking further in many fields. You do not often get the chance in the Public Service to meet the people when you are starting a program. Usually, they get to me after I have had the program locked away for five years, and I am probably not going to change my mind, and we lock heads. So I have found in this new situation that I have learned a great deal, and I appreciate very much the time honourable senators have put in on it. I have learned a lot from it. I think it is going to make it a better program.

The Chairman: You are very kind. Thank you.

The committee adjourned.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT
1974

THE SENATE OF CANADA

PROCEEDINGS

OF THE

STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

The Honourable HERBERT O. SPARROW, *Deputy Chairman*

Issue No. 19

THURSDAY, DECEMBER 5, 1974

Study Proceedings on the Main Estimates

laid before Parliament for the fiscal year

ending March 31, 1975

(Witnesses: See Minutes of Proceedings)

FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

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STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

The Honourable HERBERT O. SPARROW, *Deputy Chairman*

Issue No. 10

THURSDAY, DECEMBER 6, 1973

Sixth Proceedings on the Main Estimates

laid before Parliament for the fiscal year

ending March 31, 1974

(Witnesses: See Minutes of Proceedings)

26674—1

STANDING SENATE COMMITTEE
ON NATIONAL FINANCE

The Honourable D. D. Everett, *Chairman;*

The Honourable Herbert O. Sparrow, *Deputy Chairman.*

The Honourable Senators:

Benidickson, W. M.
Carter, C. W.
Côté, Jean-Pierre
Croll, David A.
Desruisseaux, P.
Everett, Douglas D.
*Flynn, Jacques
(*Ex officio*)
Giguère, Louis de G.
Grosart, Allister
Laird
Langlois, L.
*Manning, Ernest C.
*Martin, Paul
(*Ex officio*)
Paterson, N. M.
Phillips, O. H.
Prowse, J. Harper
Rowe, F. W.
Sparrow, Herbert O.
Welch, Frank C.
Yuzyk, Paul

(Quorum 5)

**Ex officio Member*

Orders of Reference

Extract from the Minutes of Proceedings of the Senate of Wednesday, February 21, 1973:

"With leave of the Senate,
The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending the 31st March, 1974, in advance of bills based upon the said Estimates reaching the Senate.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier
Clerk of the Senate

Extract from the Minutes of Proceedings of the Senate of Thursday, March 15, 1973:

"The Honourable Senator Langlois moved, seconded by the Honourable Senator Molgat:

That the Standing Senate Committee on National Finance be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination and consideration of such legislation and other matters as may be referred to it.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier
Clerk of the Senate

Minutes of Proceedings

Thursday, December 6, 1973.

Pursuant to adjournment and notice the Standing Senate Committee on National Finance met this day at 9.30 a.m. to further consider the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974, Re: Information Canada.

Present: The Honourable Senators Everett (*Chairman*); Carter, Croll, Desruisseaux, Grosart and Rowe. (6)

Present, but not of the Committee: The Honourable Senators Gélinas, Molgat and Smith. (3)

In attendance: Mr. J.H.M. Cocks, Director of Research.

Witnesses:

From the Department of National Revenue:

Taxation Division:

Mr. L. M. Smith, Director of Information Services;

Also present but not heard:

Mr. M. Jeffries, Assistant Director of Information Services.

From Customs and Excise Division:

Mr. C. Pilon, Director of Information Services;

Also present but not heard:

Mr. Don Stewart, Acting Chief, Financial Administration Division;

Mr. Don MacKay, Acting Chief, Purchasing and Supplies.

At 11.50 a.m. the Committee adjourned to the call of the Chairman.

Attest:

Gérard Lemire,
Clerk of the Committee.

The Standing Senate Committee on National Finance

Evidence

Ottawa, Thursday, December 6, 1973.

The Standing Senate Committee on National Finance to which was referred the Main Estimates laid before Parliament for the fiscal year ending March 31, 1974, met this day at 9.30 a.m.

Senator Douglas D. Everett (*Chairman*) in the Chair.

The Chairman: Honourable senators, in continuing our examination of Information Canada we have witnesses from the Department of National Revenue: Mr. Smith, the Director of Information Services, and Mr. Jeffries, the Assistant Director.

Our object in inviting the evidence from National Revenue is to determine how they use their information services, especially as the sort of information which they are getting out concerns virtually every Canadian. Information on taxation must be made available to every Canadian, and the Department of National Revenue has had a particularly difficult problem in the last couple of years because of the new act and getting that information over to the Canadian public.

In addition to that, you will recall in yesterday's testimony from Information Canada that they were concerned about the efficiency of a Zenith line as a means of conducting an inquiry service.

You will note from the material before you that the Department of National Revenue, Taxation Division, has had in use a Zenith line, and there are statistics given as to the number of calls which they have received in the form of inquiries both by direct phone calls—that is, in the cities in which they have offices—and through the Zenith line from areas outside of the cities where they have offices.

So that is our reason for calling on the Department of National Revenue; and, as I understand Mr. Smith has an opening statement, I will invite him to proceed with that statement.

Mr. L. M. Smith, Director of Information Services, Taxation Division, Department of National Revenue: Honourable senators, I appreciate this opportunity to make a few brief observations on the role of information services within the government.

I have been Director of Information on Taxation for nearly five years. Before that I spent ten years with Agriculture, and before that I was a journalist with the *London Free Press* and other Ontario dailies.

At Taxation we run a different sort of information service from that of most other departments, I believe. This is because, next to the Post Office, Taxation has a greater continuing contact with more citizens of Canada than any other department.

As you can appreciate, Mr. Chairman, our dealings with the public are extremely sensitive and we take uncommon pains to make certain that we inform taxpayers accurately and completely on their problems.

Of course, all information people are concerned with accuracy, but in Taxation we are dealing with extremely complex legal and technical subjects, which is why our information officers are usually more tax men than information men.

As you are aware, Taxation has just passed thorugh a most difficult period. Tax reform was so sweeping in its implications that extraordinarily large information programs were necessary to inform fully the public about the new laws and their responsibilities and duties under these new laws. However, we are now over the peak, and I am happy to report that our information budget has already been significantly reduced.

Because of the technical nature of our work, it is usually not possible to call on other departments or outside public relations consultants for assistance; the expertise is just not available. This is one reason why our dealings with Information Canada have been really quite minimal.

I am a member of the Council of Information Directors chaired by Mr. D'avignon, which meets every year to discuss broad policy concerns. I also sit on the Advisory Committee which meets each month and which concerns itself with exploring in some depth the common problems which affect most of us in the information field.

You may be interested to know that currently our committee is engaged in a series of studies which should benefit all information service groups. We are conducting research into communication methods, teaching aids, sharing of audio-visual hardware and methods of coordinating press releases and news conferences.

A recent example of the prompt service from the Expositions Branch of Information Canada was a special display we required for a presentation to be made by our minister. Within three days the hardware was obtained, graphic materials and art work completed and the finished product delivered. The total cost was $325.

Information Canada, of course, distributes some of our publications through its bookstores and frequently calls on us for assistance in response to questions from citizens about tax questions and problems. However, we have not developed any closer liaison, which I think is not surprising, considering the speciality of our interests and the generality of those of Information Canada.

Thank you, Mr. Chairman.

The Chairman: Thank you, Mr. Smith.

You have before you, honourable senators, certain tables. One is a copy of the main estimates for 1973-74 for the information section. Table 1, beyond that, is the

number of inquiries at the DNR counter in the various cities. Table No. 2 is the phone service, including the Zenith line calls to which I have already referred. Table No. 3 is the open line and TV programs, which I would imagine the officials of the department have taken part in—is that correct?

Mr. Smith: Yes.

The Chairman: Table No. 4 is a table showing public speaking engagements by officials in the department. Table No. 5 is a table showing the media contacted. And Table No. 6 is the tax tips service.

Perhaps you could tell us what the tax tips service is, Mr. Smith.

Mr. Smith: We use a number of techniques to disseminate information to the public. One is a series of questions and answers which we prepare for use by the media, and this constitutes the tax tips.

The Chairman: Appendix C is the chart of the Information Services Branch of the Department of National Revenue. And Appendix D is a proposed personnel chart or organization chart for the information services.

Are there questions, honourable senators?

Senator Carter: Mr. Smith, you have a directorate of information. Do you also have a public relations branch?

Mr. Smith: No. We have an information services branch which includes both public information and public relations.

Senator Carter: In your department, anyway, there is no clear-cut distinction between the functions of what is called "public relations" and what is called "information"?

Mr. Smith: No, sir.

Senator Carter: I was looking at your budget here, and you say that the greater part of your budget comes under the heading of advertising. When I look at your breakdown of it I see production of sound tapes, film clips and documentary films. You call that advertising. I would be inclined to call it information. Why do you call it advertising?

Senator Grosart: If it is paid for, it is advertising.

Senator Carter: It is paid for out of the advertising budget, is that it?

Mr. Smith: We simply have this as a breakdown of our budget. We just say, "Advertising," but we do include both the paid advertising and the public service material we provide in the way of audio-visual—

Senator Carter: But its purpose is to inform people—

Mr. Smith: To inform people.

Senator Carter: —rather than to advertise a service or a product, is it not?

Mr. Smith: This is true.

Senator Grosart: What is the ratio of production cost total to gross cost, in your advertising?

Mr. Smith: I do not have the breakdown of our advertising budget here. Regarding production costs, last year, for example, we used all media, so we had production costs of television commercials and radio commercials and the ads themselves. This year we are using newspaper ads and radio commercials solely.

Senator Grosart: I was asking the question because, as you are aware, I have been in the advertising business, and one of the efficiency checks is the ratio of production cost to gross cost.

Mr. Smith: I am sorry, but I did not bring that figure with me, sir.

Senator Grosart: That is understandable. Perhaps I can ask you the $64,000 question, I think, as far as this committee is concerned. We have been concerned with the role of Information Canada, as I am sure you are aware. It was the general impression, when Information Canada was set up, that it would have some control function or, at least, monitoring function, of the totality of the government information flow. What we seem to have found is that Information Canada has spent most of its time looking for a role. Because it did not have this particular role, it went into all sorts of things. But a normal assessment of the role of Information Canada might be regarded as marginal activities.

The suggestion has been made that the proper role of Information Canada would be the supervision—perhaps I will use that word rather than "control"—of all government information outflows. Would that make sense from your point of view, if Information Canada were given a mandate by act of Parliament or otherwise, to examine, assess and report on the efficiency of the information flow in your department?

Mr. Smith: I think that our particular department has rather special needs. We are dealing with a rather technical subject. We use our own tax people to disseminate a lot of the information. For example, we have 28 district offices, and in each of these we have a taxation specialist. He is really a tax man who acts as a part-time public relations officer; that is to say, he spends a portion of his man-year in disseminating information. We find this is necessary because of the subject matter. It is quite complex, and I am not sure how you could go about it in a different way.

Senator Grosart: I am not suggesting, Mr. Smith, that Information Canada should produce your information flow; but what we are concerned about is that there does not seem to be any over-all monitoring of the efficiency of the system and the many millions of dollars that are spent in informing the public about government activities.

What I am really asking you is: Would you resist the suggestion, if it were put to you, that Information Canada should have the over-all job of, say, monitoring and assessing the totality of the information work in the government departments and agencies?

Mr. Smith: Well, certainly senator, I would not resist.

Senator Grosart: The information that we have had is that departments generally would resist it. I suppose the answer to that would depend on what the exact monitoring role was. Certainly you would object, I think, to control, would you not?

Mr. Smith: I think, worded that way, that is exactly the way I feel.

The Chairman: Why would you object to control?

Mr. Smith: I think it depends on what we mean by "control". I feel that our department has a particular job, a special job to do. I think it requires a special knowledge of the department and its needs and requirements. I suppose it is possible for me to see Information Canada as being able to acquire this expertise and pass judgment, but "control," in the sense of—I suppose we are talking now about what we mean by "control".

The Chairman: Well, for example, do you use advertising agencies?

Mr. Smith: Yes, sir, we do.

The Chairman: And how much of your budget would be spent by an agency?

Mr. Smith: Approximately $1 million in advertising—main advertising.

The Chairman: One million dollars out of a total budget of $1,451,000—

Mr. Smith: Exactly.

The Chairman: —that would be spent by them. And would you receive advice from them on, for example, the $225,000 worth of audio-visual production?

Mr. Smith: No. Not as a rule.

The Chairman: Not as a rule. I see. But in that case you are using the agency for advice on the technical side, that they know, and that does not interfere with the production of the technical side of taxation, does it?

Mr. Smith: No.

Senator Grosart: Could I just follow up this other line, Mr. Chairman?

Mr. Smith, you have had experience in other departments. Would you say that this same requirement of in-house expertise would apply to pretty well all departments? Agriculture, for example?

Mr. Smith: In a sense, I suppose it does. Agriculture, in terms of research, for example, yes.

Senator Grosart: So, just to be clear on your answer, do I take it you say you would not object to Information Canada having the role of assessing, reviewing and reporting on the efficiency of your information operation?

Mr. Smith: Providing they would have the expert people who would be qualified to do this work.

Senator Grosart: Yes. But I have said "assessing, reviewing and reporting on". I will not at the moment say how they would report, or to whom.

Mr. Smith: I think, as I mentioned, I would not resist it. I feel that we have developed our program of assistance to taxpayers very carefully and very meticulously over the years, and so, of course, we would not—

Senator Grosart: I am having a little difficulty hearing you.

Mr. Smith: I am suggesting that we have developed our program very carefully over the years, and I feel that we have a program that is well thought out and designed specifically for our department.

Senator Grosart: I am sure it is very efficient, but one of the benefits that might flow—and perhaps you would care to comment on this—is the examination of the reasons for the efficiency of the flow in a department such as yours, which might be transferred to other departments or vice versa. An assessment by Information Canada might turn up techniques, methodologies, and so on, used in other departments, that you might be interested in.

Mr. Smith: Senator, we are always interested in improvements, ways of improving, and suggestions that would lead to improved assistance to taxpayers. Regardless of where this came from, we would welcome it.

Senator Grosart: I am not myself too impressed with the expertise defence of the present system, for the simple reason that anybody who has been in the advertising business knows that you may have the greatest expertise in the world in the advertising agency but you never keep them too long because they run out of ideas and go stale. Everybody who uses an advertising agency, that I know of, is continually examining the agency and, without taking a derogatory attitude towards the work of a particular agency, they say, "We are going to have another agency for a while." So, I think there is a danger of being too sure of your own expertise, and I am sure you are aware of that.

Senator Croll: Mr. Smith, I would like you to take a look, first of all, at table 1, and then I shall refer you to table 2 to see if you can come up with an answer to this question.

I would, first of all, ask you to take a look at London, because I know the composition of the city of London and I know the population. I notice that the number of counter inquiries is in the order of 21 thousand-odd. Then you look down at Sudbury and you find it is 14,000; you look at St. Catharines and you have 25,000; and then further down you have Victoria. St. Catharines would be much smaller than London or Sudbury or Victoria. Then you look at your telephone service and you see at London that it is 61,000, Sudbury 25,000, St. Catharines 49,000, Windsor 33,000 and Victoria 41,000. It seems to me that St. Catharines has an unusually larger number of both telephone calls and counter service calls. Why?

Mr. Smith: There are probably several answers, senator. One would involve the location of our office in a rather small geographic area, with a large number of people concentrated in that area. You can drop into the office more easily than you could in the Sudbury area or Victoria. Another possible reason is the special property tax credit program of the Ontario government last year. There were more inquiries in some of our Ontario offices than there were in some other offices, such as Victoria.

Senator Croll: But those considerations would apply to Sudbury as well, where the population is similar to St. Catharines'.

Mr. Smith: I think that part of the answer would have to do with the geographic area. People within that district office area are rather concentrated, whereas in Sudbury it is a very large geographic area, with people living considerable distances from the office.

Senator Croll: Do you suggest the location of the office makes a difference?

Mr. Smith: As far as the number of people coming into our office is concerned, yes, sir.

Senator Croll: Then, in cities such as Sudbury, where you have a concentration of people within the city itself rather than in Copper Cliff, do you keep in mind the location and placement of offices?

Mr. Smith: Our offices have been established for a number of years, of course, in these locations. In some cases, like Sudbury, they must, of necessity, serve a very large geographic area.

Senator Croll: Then let us go back to the telephone calls, where this factor would not make any great difference. Table 2, for instance, shows London having a very large number of telephone calls and the same thing is true of Sudbury—almost double for the year. St. Catharines is high again, and dear old Victoria, where you think they ought to know almost everything by now, is also high. That has nothing to do with location, so how do you explain the fact that you get such a large number of inquiries from a small locality?

Mr. Smith: Our telephone inquiries last year were up generally.

Senator Croll: Yes, and I welcome the fact that they call you and ask you, but what bothers me is: Why such a large number in London and St. Catharines, as against other places? Is there any particular reason?

Mr. Smith: Aside from the fact that there is a different population in each district office area, I suppose I do not have the answer.

Senator Croll: To my mind, St. Catharines and Sudbury would have the same kind of population; they are both INCO, both concerned with mining activities and yet there is a great variation between those two.

Senator Grosart: May I ask a supplementary on that?

Senator Croll: Certainly.

Senator Grosart: Why, for example, should Belleville have 18,000 Zenith calls and Montreal only 5,000?

Senator Croll: That is improving on my question.

The Chairman: It would also be interesting to know how the Zenith calls end up in particular cities—for example, in Montreal, Vancouver or Quebec, and then so many in Belleville. The Belleville office must be extremely busy answering the telephone.

Mr. Smith: With Zenith lines you can call anywhere in Canada and you are automatically hooked in with your appropriate district office. Montreal is a very large metropolitan area, where the majority of people can call locally and do not have to use the Zenith line.

The Chairman: But if you call the Zenith line in the Gaspé, for example, with which office are you connected?

Mr. Smith: I believe that would be Quebec City.

The Chairman: And the same number applies anywhere in Canada?

Mr. Smith: Yes.

The Chairman: And you are automatically attached to your local office?

Mr. Smith: Yes.

Senator Grosart: Is your weight of advertising of the Zenith facility roughly the same per head in each area?

Mr. Smith: Yes, it is, but there could be a little more public relations activity in one office as compared to another.

The Chairman: How do you advertise?

Mr. Smith: We do it through national advertising. We included the number in all the ads we produced last year. We also have public relations offices in each district office to make certain that people are aware of it.

Senator Grosart: It seems extraordinary that if your weight of advertising of the Zenith facility is the same per head per thousand you should get this tremendous variation in response. Have you examined that situation, to find out why—why it should be for Montreal only 5,000 and for Belleville 18,000?

Senator Croll: And take a look at Penticton as well. That is 17,000 and Penticton is quite a small place.

Mr. Smith: Penticton itself is rather a small place, but the office there serves a large geographical area.

Senator Rowe: Referring to Senator Croll's question, I presume that the percentage of inquiries would be greater in rural areas, or in areas that are in a centre which is serving a suburban or rural area, than it would be in a metropolitan area like Toronto, is that correct? I am thinking now in terms of percentages.

Mr. Smith: I do not think we examined them from the point of view of percentages. We find that there are many questions in metropolitan areas. That is probably because the office is close to people; people can pick up the phone.

Senator Rowe: May I amplify this? I was thinking of my own experience as a practising politician. Last week or a few weeks ago it was pointed out here that most members of legislatures serve, partly at any rate, as ombudsmen; they are recipients of all kinds of inquiries. When I was an elected member of a legislature, I suppose I would get on an average one hundred inquiries a week, regarding everything under the sun—unemployment insurance, income tax and so on. These were things that did not come directly under my jurisdiction. Nevertheless, I got them and forwarded them to the proper quarter. I was thinking that in rural areas—and this is where I found this—I got relatively fewer inquiries. From an area like Grand Falls, which is a compact town, sophisticated, relatively speaking, I got fewer inquiries than I did from, say, a fishing community in White Bay. May I also add the question I was going to ask—

The Chairman: Senator, I think Mr. Smith has answered your first question, that he does not have the statistics on that. Perhaps you can come to your second question?

Senator Rowe: My second question, and this may have been asked before when I was not here, is: Do you have a category breakdown on the nature of the questions or inquiries that come in to you?

Mr. Smith: Yes, we do have.

Senator Rowe: I presume that most of these would be regarding income tax?

Mr. Smith: Yes.

The Chairman: You have a breakdown. Do you have it with you?

Mr. Smith: No, sir.

The Chairman: Would the committee be interested in having that breakdown?

Senator Croll: Whatever breakdown you have, there is a certain amount of information one can acquire by seeing the kind of questions. Do you pass that on? Where does it go, beyond you?

Mr. Smith: The breakdown that we have identifies those areas where people seem to be having difficulty in filling out the income tax form.

Senator Croll: In the kind of questions they are asking?

Mr. Smith: In the kind of questions they are asking.

Senator Croll: What do you do with it?

Mr. Smith: We use it ourselves. We use it when it comes time to redesign the form, to redesign the guide. We take these questions into consideration, and we try to improve the areas where difficulties have been found. We try to make it more understandable. We use this information also in planning our publicity material.

The Chairman: What would the main categories be?

Mr. Smith: There are many difficulties in connection with Canada Pension Plan overpayments.

Senator Croll: Yes, that would not be unusual.

Mr. Smith: There are quite a number in various areas like dependents. We find mistakes are made there.

Senator Croll: Mr. Smith, these are the people who have to deal with a form, and they find that difficult?

Mr. Smith: Yes.

Senator Croll: You look at it and you find there is a large number of inquiries in regard to item A, item B, item C and so on. What do you do with it, in order to make sure that there is some correction in the form?

Mr. Smith: We try to reword the text, if we feel that the wording is not quite explicit—both in the guide and in the form itself, if it is possible. Also, as I mentioned, in our publicity program we try to highlight those areas where problems have arisen.

The Chairman: What sort of people do you have dealing with these inquiries? Are they specially trained people, or are they just the people who happen to be on the counter at the time?

Mr. Smith: They are specially trained staff. They are trained to do this job during the tax filing season, January to April.

The Chairman: Is that the only time the Zenith line is in operation?

Mr. Smith: No, the Zenith line is in operation all the year round.

The Chairman: Do the people who answer these inquiries do anything but answer the Zenith line?

Mr. Smith: That is the main job during the tax-filing season. They are employed in answering the Zenith line or other telephone inquiries.

The Chairman: As regards telephone inquiries, you have people in the offices doing nothing but that during the tax-filing season, which you say is January to April. From April to the end of December, what happens?

Mr. Smith: There are many other duties in the district office.

The Chairman: I realize that. I am just asking you what happens if I phone in, what sort of a person do I get, between April and the end of December?

Mr. Smith: You will get people who have been trained for this. The staff is not as large from April to December; but those people who will answer your calls are people who have been trained in this and who are knowledgeable enough to answer tax questions.

Senator Grosart: Mr. Smith, just for clarification, in your table 2, are the 333,000 Zenith calls included in the telephone service figure of 1.8 million?

Mr. Smith: No, sir, they are not.

Senator Grosart: So we can take it then, if we take the counter service, the telephone calls and the Zenith, we have something like two million direct contacts with individuals at the information level in your department in a year. Is that about correct?

Mr. Smith: Yes.

The Chairman: That is telephone?

Senator Grosart: No, that is counter plus telephone plus Zenith. That is adding up 1.8 million, 526,000 and 333,000.

The Chairman: That would be close to three million.

Senator Grosart: Yes, I should say close to three million. What would be the dollar cost to you per inquiry?

Mr. Smith: I do not have that information.

Senator Grosart: Could you make a guess at it?

Senator Rowe: Is it simple division?

Senator Grosart: No. May I continue, please, because I think this is a very important question. We are trying now to assess the cost of information services in relation to the service given. Here you are telling us you have three million direct contacts with the public at the information level. I think it is very important to have some estimate of the cost of this particular operation and the personnel, the man-hours, involved. We have lookked at other operations where the cost is fantastic, and yours must be comparatively low.

Mr. Smith: First of all, senator, can I explain that my information branch is a very small branch; that is to say, the branch I am in charge of. We are concerned with overall public information in income tax and public relations. In our department, in our operations branch, we have people whose job it is to look after the service to the public at the counters and the telephones, and they report through the operations branch. So, if I am a little hesitant in giving you answers, it is because it is another branch. But I can tell you that probably the man-years that are

spent in direct assistance to taxpayers would approximate 714.

Senator Grosart: Man-years?

Mr. Smith: Man-years.

The Chairman: Where do you get that figure?

Mr. Smith: This is counter staff, telephones and so on.

Senator Grosart: I don't quite understand that, because a man-year is one person's work per year.

Mr. Smith: The equivalent of that.

Senator Grosart: In this service, there are 714 people involved in giving this particular service to these three million?

Mr. Smith: Yes.

Senator Grosart: We can figure the cost pretty well from that.

The Chairman: Presumably, that is from the 1973-74 estimates, and it would be translated into dollar costs?

Senator Grosart: Not in the estimates any more.

The Chairman: But in their preparation for the estimates, I imagine they would have the cost of these 714 man-years.

Senator Grosart: This seems to be an area where it is hard to believe there is not an on-going cost benefit analysis. Do you think you could get that figure from your operations people for us?

Mr. Smith: Certainly.

Senator Grosart: Mr. Chairman, it would be very useful, I suggest, to have an analysis of this.

The Chairman: Let us be precise about what we want. You want the cost of the counter and phone inquiries services that handled close to three million inquiries last year?

Senator Grosart: That is right. Of course, "phone" takes in the two—what are here described as phone plus the Zenith.

Senator Carter: Do you want it to compare with the previous years?

Senator Grosart: Oh, no. I just want to know what is the cost of contacting directly, personally, by phone or at the counter, these three million people.

The Chairman: Then you want the labour cost involved, senator?

Senator Grosart: The man-years plus the dollar cost per thousand or per ten thousand.

The Chairman: That is the labour cost of those people.

Senator Grosart: I don't care which it is.

The Chairman: Right. You also want the cost of the Zenith line.

Senator Grosart: Separately, yes.

The Chairman: Perhaps Mr. Smith knows what the cost is.

Mr. Smith: It was less than $800,000. The precise figure I will get and submit to you with the other information.

Senator Grosart: That is $800,000 for the Zenith. Would you say that that is the total cost of the operation?

Mr. Smith: For the Zenith services.

Senator Grosart: Including personnel, some overhead and the telephone line costs?

Mr. Smith: That is right.

Senator Grosart: $800,000 for 333,000 services.

The Chairman: Senator, I think what Mr. Smith said was that was the Zenith line cost alone.

Senator Grosart: That is what I am talking about.

The Chairman: But not the personnel involved.

Senator Grosart: That is what I am asking. Is this just the telephone line cost, the $800,000, or is it the total cost of the 333,000 services?

Mr. Smith: It is my information that it is the total cost. I would like to confirm that. I will give you that information along with the other information, if I may.

Senator Grosart: So it is running at about $2½ per inquiry, or something like that.

Mr. Smith: I would like to confirm that.

The Chairman: That is the total cost of the Zenith line.

Senator Grosart: The total cost of the Zenith service, because that is the 333,000 services.

The Chairman: I see.

Senator Grosart: It would be interesting then, Mr. Smith, on a comparative cost-benefit analysis, to compare this with the use of other media, this being one medium of communication, of course. If it were possible to get it from your operations' people it would be of great help to us, I suggest, Mr. Chairman, to have an analysis of the comparative cost of doing it this way and reaching people through other media. It is not simple, but it is possible to translate the dollar cost per message in daily newspapers, weekly newspapers, radio, TV and so on, and it would be an interesting comparison with this. I am not suggesting that the quality of the service is the same. Obviously, this direct contact with an individual is a much higher quality service than merely sending out a message over the air or inserting it in the newspaper.

Senator Croll: Senator Grosart, didn't Mr. Smith say at the beginning that the cost of advertising was about a million dollars?

Mr. Smith: Yes.

Senator Grosart: Yes, but then you would have to divide that by the receipt of messages; in other words, by circulation or readership, actually.

The Chairman: What did you want, senator, the cost per thousand?

Senator Grosart: Yes.

The Chairman: That would not be hard to get, I imagine.

Senator Grosart: No, any newspaper, radio or television station will tell you what the number of the receipt of your messages is per three minutes, for example, or for single insertions and so on.

You see, Mr. Smith, as you are aware, we are concerned with the efficiency of the totality of the cost of the government information flow. We suspect that the cost is unnecessarily high, and this is probably because of some duplication and because of the kinds of inefficiency which always develop. I am not saying that because it is government, but simply because that always happens. If we are going to study the job of Information Canada here we simply have to come up with some numbers along these lines, and I hope you can help us in that respect.

The Chairman: Perhaps we can review for Mr. Smith precisely what we want. As I understand it, we would like the cost, broken down by segment, for the year 1973 of the counter inquiries, the in-city phone inquiries, and the Zenith phone inquiries; that is, the direct costs, including the cost of the Zenith line. Is that correct, Senator Grosart?

Senator Grosart: Well, I would like to get each one separately, myself.

The Chairman: That is what I say.

Senator Grosart: In other words, the three tables: the counter, by phone, and by Zenith.

The Chairman: That is right, by category.

Senator Grosart: Yes.

The Chairman: Then Senator Grosart would also like some information on the cost per thousand of the reach of the million dollars which you are spending in media advertising.

Mr. Smith: I see.

The Chairman: Are you finished, Senator Grosart?

Senator Grosart: For the moment.

Senator Sparrow: I would like to review, Mr. Chairman, the relationship between Mr. Smith's department and Information Canada.

Are you getting services of any description now from Information Canada? Is there any service which you feel Information Canada could give you which you are not now receiving?

You also made the statement that you take advice from any place, which is natural, but is there any area where Information Canada could be particularly useful to you but where it is not now being useful to you?

Mr. Smith: Well, we do get some service from Information Canada. We use their photo centre. As I mentioned, when we require a display, which is not too often, we use Information Canada. But we probably do not have as close a liaison with Information Canada as some of the other departments do, because of our specific requirements.

Senator Grosart: May I ask a supplementary? We gather that one of the main functions of Information Canada is to distribute printed material. You put out what I consider the best piece of print in the whole of the government service, and that is "How Your Tax Dollar is Spent". Are you satisfied that Information Canada can do as good a job, or a better job, of distributing your print material than you can do yourself, or were doing when you did it yourself?

Mr. Smith: First of all, I should say that I would like to be able to take credit for "How Your Tax Dollar is Spent", but I cannot, in all conscience. That is Treasury Board.

Senator Grosart: Oh, yes, of course, that was from Treasury Board.

Mr. Smith: The distribution of our publications, in the main, is pretty direct, through our district offices or through direct mail. We do use Information Canada. They do distribute certain of our publications, and we will be asking them to help in the distribution of some of the pamphlets which we are now putting together. Many of our forms, guides and pamphlets which are instructional we distribute ourselves because they go directly to the taxpayers.

Senator Grosart: One more supplementary. Who decides whether a given piece of print will be distributed through Information Canada or by the department? In other words, does Information Canada have a mandate to say, "We will distribute it, not you"?

Mr. Smith: No, sir, they do not.

Senator Grosart: They don't?

Mr. Smith: No, sir. We decide.

Senator Grosart: You decide.

Mr. Smith: Now, we are talking about printed material. Generally, we do not have a great assortment of publications *per se*. Most of them are guides or assist in filling out the form on income tax.

Senator Grosart: You were luckier than we in the Senate, because Information Canada distributes all our material and will not even pay us our share.

Senator Croll: Mr. Chairman, just getting back to the question originally asked by yourself: John Doe is at the counter from January to April, answering questions and answering the telephone. That is what you told the Chairman, right, Mr. Smith?

Mr. Smith: Yes.

Senator Croll: And then he takes on some other duties between April and a later time in that period. What does he do to qualify himself and keep abreast of changes in interpretations and the changes in the law and regulations, as between season and season?

Mr. Smith: First of all, in the training of the staff we have training programs that each of these people go through to qualify them.

Senator Croll: Originally.

Mr. Smith: Originally.

Senator Croll: Now, I have got him in your office and he is working. I gave you a specific time. He has been there five years and he is a good man, and now the law changes. The interpretations change and there are nuances in the law. How does he keep abreast of that? Or, how do you keep abreast of that?

Mr. Smith: Through internal training programs.

Senator Croll: You have internal training programs?

Mr. Smith: Yes.

Senator Croll: Take any one man, then, and indicate what you would do. Would you send him away on a program for a month, six weeks, two weeks? Or would you have lectures at the local level? And, if so, who would give those lectures?

Mr. Smith: Generally they would be lectures or courses at the local level, and they would be given by people who have been trained as trainers. We would have people who are brought from our district offices to Ottawa, trained as trainers, and who go back out, and then this training filters on down the line. Also, for our counter *staff* and telephone information staff, we have public relations courses. We have a special film, for example, on counter etiquette; that is, the do's and don't's of dealing with the public. They receive this as well.

The Chairman: Have you any breakdown on the inquiries—especially film inquiries—as to how fast the inquiry is answered? I imagine some of them are of such a nature that they can be answered immediately over the phone; but others, I imagine, would take a little more time. What is your policy in respect of that?

Mr. Smith: We have a breakdown. We can tell you approximately. However, I am sorry I do not have this information with me because this really is in the operations branch—it is in the direct taxpayer relationship field—but we can tell you what is the average time for a telephone inquiry. I believe it is six or seven minutes, but I would like to check that. I can provide you with that figure.

Senator Croll: Just let me finish. John Smith calls, and he has a rather tough question. The man on the desk just has not got the answer immediately. Does he say, "I will phone you back. Give me your number"? Or does he say, "I will write you a letter"?

Mr. Smith: First of all, if the man who is trying to answer this particular query does not have the answer, he has a supervisor who is in a central location and who can step in at any time and help him out. If they cannot come up with the correct answer there and then, of course they will take the number and call him back.

Senator Croll: I see.

The Chairman: They will call back, though.

Mr. Smith: Of course, yes; always.

Senator Croll: You avoid writing letters, do you not?

Mr. Smith: We do write a lot of letters, but the telephone—

The Chairman: That may come under the heading of an unfair question, senator.

Senator Grosart: Could I ask a supplementary to Senator Croll's question? Let us take a specific situation. Let us say that there is an Income Tax Appeal Board decision which affects the personal income tax liability of a substantial number of taxpayers. How fast would that be communicated to your people on the end of the Zenith line? What is your format for that?

Mr. Smith: Well, if this is something that has an effect on the interpretation of legislation, we try to brief our staff on all new developments as quickly as possible so that they have this information and can make use of it.

Senator Grosart: Is this a flow of memos to them?

Mr. Smith: It would be in the form of a memorandum; or we have, on the other hand, an internal communications vehicle called "TOM" which gives instructions to district office staff.

Senator Grosart: So there is a continual flow of information to these 714 people?

Mr. Smith: Yes. To all staff, really; and it goes through the district office directorate, on down.

The Chairman: What sort of recording form do you have for recording the inquiries and their nature? That is really the basis of the feed-back of this information that you are talking about, isn't it?

Mr. Smith: Yes. Well, this information we put together for our own use, more than anything else. We get this from our public relations officers, and the counter and telephone staff do try to keep tabs on all calls and on all people who come to the counter. Again, if I could go to my operations people, I can provide you with this information.

The Chairman: That is fine. We just want to get an understanding of how this inquiry function works as far as you are concerned, because it is obviously a fairly sophisticated operation and it does involve the Zenith line.

Senator Croll: In Parliament last year there were complaints and protests that information that they received from the offices was not correct. Now, I do not know whether it was right or wrong—I am not sure; but if you remember, members of Parliament raised that question and said that they had been misled somehow or other. I am not suggesting that that is so, but there was a complaint; and it was particularly, last year. Did you hear anything about it at all, in your department?

Mr. Smith: There were some difficulties with the Ontario property tax credit plan.

Senator Croll: Yes, that is right.

Mr. Smith: But nothing serious, that I recall.

Senator Croll: Nobody understood it, so don't worry.

Senator Rowe: I am a little puzzled on this matter of salaries. The salary item here goes to $163,000—

The Chairman: What are you referring to, Senator Rowe?

Senator Rowe: The budget.

The Chairman: The budget being appendix A, the second sheet, at the bottom. "Salaries were $163,000."

Senator Rowe: Yes. These would be for personnel specifically employed in the Taxation Division, but under your branch—right?

Mr. Smith: Precisely, yes.

Senator Rowe: I say that the only office personnel I have had any dealings with, have been in the taxation office in St. John's, Newfoundland, for obvious reasons. May I also add here—and it is a good time to do it—that on the many occasions that I have had to contact them, not personally as a rule but on behalf of constituents, I always received the utmost courtesy, and they always followed up. I must say also that they have carried out their duties, as far as I could ascertain, with the utmost efficiency and, what is perhaps more important, courtesy and sympathy, too; but that is only an aside.

The point is this: I called up only recently on a personal matter, and I asked to speak with the manager, who happened to be an old college friend of mine. He was out of the province, but the young lady said to me, "What is the nature of your business? Perhaps I can help you with something."

I wanted to speak, as it happened, specifically about some royalty payments that had been made to me several years ago, and she said, "I will put you on to Mr. Brown," or "Mr. Smith," or whoever it was, and she did. That person who gave me the information, would he be your employee, or would he be a regular employee outside of your branch altogether? In other words, what I am getting at is, does this salary item cover the entire cost of information to the public?

Mr. Smith: No, it does not, not at all. This budget is for the salaries of the people in my branch, the information branch at the head office. But all our people in the district offices are specially trained people; they can answer any type of tax query you may have; and, depending upon the nature of the call, it would be directed to a specialist in our taxation office.

Senator Rowe: But would he be one of your men?

Mr. Smith: No, he probably would be an auditor.

Senator Rowe: So that in addition to this cost here, there would be another cost for information to the public embraced by the services afforded by that man and others, a man who was not specifically an employee of your branch?

Mr. Smith: That is quite true, yes.

The Chairman: A supplementary to that. When you bring in these special people between January and April during the tax-filing season, they are specifically hired to answer inquiries from the public, I gather.

Mr. Smith: These are people on our own staff who, during this particular season, have as a chief responsibility to answer inquiries by telephone or on the counter; but they have other duties for the balance of the year.

The Chairman: So you do not employ other staff, and your department does not increase its staff at tax-filing time?

Mr. Smith: At tax-filing time, no.

Senator Grosart: If Treasury Board asked your department to give them the total cost of your information services, how many of the 714 people would you include in your response to Treasury Board?

My reason for asking this question is this: we have some global figures before us as to the total cost of government information flow, which we suspect to be very low because it does not include the information services that do not come in a division of a particular department. So, how many of those 714 would be included in the response to that kind of request from Treasury Board?

Mr. Smith: If they ask specifically for the cost of the Information Services Branch, these people would not be included.

Senator Croll: Following Senator Rowe's question, supposing a man calls up and asks a question that you cannot answer and you refer him to another branch—you just refer him or even transfer him—first of all, is that possible?

Mr. Smith: To another branch of government?

Senator Croll: No, to another branch of the department. That man may be working steadily on some other sort of job, estates, or whatever it may be, but this question happens to touch on this particular problem. So, he answers it in the normal course of business, in doing his ordinary job.

Mr. Smith: Precisely.

Senator Croll: There is nothing special about that information at all. You could not possibly charge it to information, any more than if I called him directly on the telephone.

Mr. Smith: He would quite likely be an auditor.

Senator Carter: Following on that, Mr. Smith, you mentioned earlier that some of the information data came from reports you got from public relations officers; and then you spoke earlier of people doubling as public relations officers but being employed under another category. Do you have any public relations officers, as such, apart form information officers?

Mr. Smith: We use tax people in the district office as sort of part-time public relations people.

Senator Carter: They are not on your staff?

Mr. Smith: They are not specifically on my staff; they are tax men, really.

Senator Carter: They would not be included in your budget?

Mr. Smith: We do have 17 man-years charged to our budget for this purpose.

Senator Carter: Is there another division of the department that has public relations?

Mr. Smith: No, the public relations are all in my branch; that is, apart from the taxpayer assistance programs which involves the counter telephone service I talked about before. That is not in my branch; it is in Operations Branch.

Senator Carter: I notice that in these tables you have given us you have small numbers opposite the names of places like Toronto, 13, Montreal, 08 and so on. This is in appendix B to table 1. Is that a code number for the office?

Mr. Smith: It is simply an office number. This is an internal report, and these are the numbers given to district offices; they are simply code numbers for our own use.

Senator Carter: I think you told Senator Grosart and Senator Sparrow earlier that you prepare information pamphlets which you distribute to the public. Do you ever make any surveys to see how effective these pamphlets are, and if they are doing the job of getting the message across?

Mr. Smith: Yes, we do make surveys on some of these things, but not on specific pamphlets. Nevertheless we are able to judge in certain ways. We have one, for example, dealing with income tax for students, which we are able to judge.

Senator Carter: A common complaint about government pamphlets concerns their readability, and one of the functions of Information Canada has been to take some of these pamphlets and rewrite them so as to increase their readability. Pamphlets dealing with taxation would be rather technical, and I would think it would be rather difficult to translate them to a level that would be more understandable to a person with an average grade 4 or 5 education. Have you ever asked Information Canada for help in this area?

Mr. Smith: No, sir, we have not.

Senator Carter: You are satisfied with the readability of your pamphlets, from your surveys?

Mr. Smith: Yes, sir, we are.

Senator Grosart: Otherwise you would not put them out.

Mr. Smith: If I could, perhaps, elaborate, senator, we have different types of pamphlets. For example, we have a publication we call "Inside Taxation" which tries to describe the work of our department, the Income Tax Act, our responsibilities and so on. It is a fairly elaborate publication, in one sense, because we do go into the subject in depth. We also put out, at the same time, a small non-technical publication which is meant for students and people with a casual interest in the subject.

Senator Carter: You say you are satisfied with this and you measure the effectiveness of it by the number of replies you get. What do you consider a satisfactory ratio of replies to a pamphlet?

Mr. Smith: I mentioned that in the case of one publication we put out concerning income tax and the student, and the response we got from the universities was, we thought, quite satisfactory in terms of the student population.

Senator Carter: But you are dealing then with a very specialized segment of the population, because only a very small percentage of the population would have a university education. What about other pamphlets aimed at the general public?

Mr. Smith: I think perhaps our guide is the most well-known pamphlet put out. Again, that is not really within my branch but we have input in it, and there we have conducted surveys in the public sector.

Senator Carter: What do the surveys show?

Mr. Smith: They show it was helpful and that people were able to understand it and appreciate it.

Senator Carter: Can you put it in a mathematical ratio, so that we can compare?

Mr. Smith: In a ratio of one to ten it is over five. Most of our publications are specific publications. The guide is the one exception; that is for everyone.

Senator Grosart: I wonder if I could ask the witness if, when Mr. Smith is giving us this overall survey of the numbers of the outflow of information, he would also give us the number of pieces of paper you put out, to simplify it, again with a cost ratio? That is one request to you. But for clarification, am I correct in saying that the total man-years in your branch would be 16 man-years, and this compares, then, with the total of 714 man-years to service the Zenith number alone?

Mr. Smith: Not the Zenith.

Senator Grosart: No, no, the phone, counter and Zenith.

Mr. Smith: The figure I gave you, the 714, these are people employed by our district offices across Canada to help the taxpayer in various ways.

Senator Grosart: The whole function is information.

Mr. Smith: The primary function is information.

The Chairman: Well, at least the 714 man-years is totally information.

Senator Grosart: Yes, I am contrasting this with the broad statement we have that it takes 16 man-years to service the information services branch, yet we have this amazing figure of 714.

The Chairman: But Mr. Smith was saying that some of these peeple are partially on information services. i presume the total of that partial time is 714 man-years. Is that right, Mr. Smith?

Mr. Smith: Yes, but the 714 man-years, these are tax specialists, people who have been trained in income tax.

Senator Grosart: Yes, I am aware of that. I am not being critical when I ask this question.

The Chairman: And we hope they are experts.

Mr. Smith: I tried to explain earlier but probably did not get it through, that my branch is the information and public relations branch, and we are responsible for the overall development of publications, advertising, public service materials, training people in our department, public relations matters and this sort of thing. The operations branch have a very large responsibility for direct taxpayer assistance at the local district office level.

Senator Grosart: I understand this, Mr. Smith. It is no different from an ordinary business. An ordinary business has an advertising department and a public relations department, and in their annual report this would be the cost they give. But we all know that the men on the counter are also a part of the information flow—even salesmen are part of the information flow—so I am not being in any way critical of this. The reason I raised it is that, when we are trying to get at the total cost of the information flow of government—again not in a critical sense—we come up against this kind of figure we are given that is a very narrow and restrictive figure.

The reason we are interested in it is that we cannot find a role for Information Canada. If the total cost is $100 million—and I am sure it is, and probably a lot more—then we want to see where Information Canada fits in. I

don't know whether it has a name, Mr. Chairman, this thing, that was set up under a vote in the supplementary estimates, called Information Canada. Is it an agency? What is it, a division or a branch?

Mr. Smith: I plead immunity on that question.

Senator Grosart: Perhaps we should find out where it fits into the government hierarchy, or is it still something that happened in the supplementary estimates? We should find that out some day. We know it has no terms of reference.

Senator Carter: Could I ask Mr. Smith a question? In your budget, $225,000 for production of sound tapes, film clips, research, presentation, graphic presentation and so on, how much of that is contracted out to the private sector for preparation, or is that the cost of what you prepare yourselves?

Mr. Smith: This is an estimated cost. It will not be that high this year. It is an estimate, and most of this would be done outside, yes.

Senator Carter: By private people?

Mr. Smith: Mostly in the audio-visual area we work through the National Film Board. The materials are either provided nor produced by the National Film Board, nor through them by a private firm.

Senator Carter: How much of this would go to Information Canada? Would any of it go to Information Canada?

Mr. Smith: The photo centre does provide us with a very large service.

Senator Carter: Do they charge you for it?

Mr. Smith: Yes, and that is about the extent of it.

Senator Carter: Have you any figures of what you paid last year?

Mr. Smith: To the photo centre?

Senator Carter: Yes.

Mr. Smith: Yes. I do not have them with me.

Senator Carter: That is the only main use you make of Information Canada?

Mr. Smith: Yes.

The Chairman: Information Canada has indicated that the Zenith lines would not be used by the average citizen because he would be disposed against the use of a long-distance phone even though not paying for it. You have had experience with Zenith lines. What would your impression be?

Mr. Smith: We were quite satisfied with the response we got from the Zenith lines.

The Chairman: The figures you got were good?

Mr. Smith: I think that when it is well advertised and people are aware of it, they do make use of this service.

The Chairman: Could you give us a detailed breakdown of the direct cost of the Zenith line, and a detailed description of how it works? I am not talking about the counter service, because you are going to give us some information on that. I am talking about the arrangement you have with various telephone companies about the use of the Zenith line, how it is handled, how the breakdown to the various cities takes place, and as much cost detail as you can give.

Mr. Smith: Yes.

Senator Sparrow: How many information branches are there in National Revenue?

Mr. Smith: In National Revenue?

Senator Sparrow: Yes.

Mr. Smith: There are two information services, one in Taxation and one in Customs and Excise.

Senator Sparrow: Just two. Why could not one information service handle both?

Mr. Smith: In effect, we are almost two different departments. We report through the same minister, but it is really two separate operations. We are separate physically and in subject matter.

Senator Sparrow: I do not think that answers my question. My question was: Could one department handle that? I appreciate that it is not the same subject matter.

Mr. Smith: Could one information branch handle both departments?

Senator Sparrow: Yes?

Mr. Smith: With difficulty, because of the different subject matter, the different locations.

The Chairman: Thank you very much, Mr. Smith and Mr. Jeffries. We appreciate your having come this morning.

Mr. Smith: Thank you.

The Chairman: Honourable senators, we now have the information officers from the Customs and Excise Division. On my right is Mr. C. Pilon, the Director of Information Services, Mr. D. Stewart, Acting Director of the Financial and Management Services Branch, and Mr. D. MacKay, Acting Chief of Administrative Services.

Do you have an opening statement, Mr. Pilon?

Mr. C. Pilon, Director of Information Services, Customs and Excise Division, Department of National Revenue: Yes. I would just like to mention that in Customs and Excise we are presently organizing our information services branch. Up to now we have had a maximum of two information officers in the department and a couple of girls. Altogether we have five man-years for information services in Customs and Excise.

Presently, we are organizing a more progressive and capable information tool for the Customs and Excise Branch, in line with a request from our minister. I feel we were very low-key and we were not providing the necessary information to the public whom we serve, and we have a varied public and a very large public whom we do service. This will be done for 1974 and 1975, and I hope to have the organization completed by that time.

Personally, I am not an operations man. I am not a professional information officer, but I have been involved in organizing the branch.

The Chairman: Thank you, Mr. Pilon.

You have before you, honourable senators, information on the breakdown of information services costs for Customs and Excise.

Can you tell me, Mr. Pilon, whether you have sought the services of Information Canada in the organization of your branch?

Mr. Pilon: Yes. I went over and talked to Information Canada while I was developing our submission to the Treasury Board. In the development of our organization, I sought their services and their advice in getting it going, yes.

The Chairman: Have you found them to be helpful?

Mr. Pilon: Very helpful. I have also talked to my confrère, Mr. Les Smith, and I have had many discussions with him on information services in the Taxation Division.

We serve the same minister and the approach to information under the minister, I feel, should be compatible or at least should be based upon the same policies of information. It should also be compatible with the general government policy of information in government and in Information Canada.

The Chairman: In seeking information personnel, would you think that Information Canada could play a role in being a supplier of that personnel or could be a training ground for it? Would it make your job easier?

Mr. Pilon: In the recruiting of personnel for the branch, naturally we go to the Public Service Commission who have an inventory of information officers. We make our selection through discussion with the Public Service Commission officers and interviewing the candidates, so to speak. As a matter of fact, I have already had a few preliminary interviews with some people, and I have discussed them with Mr. Smith and other directors with whom they have worked in the past.

It may not be a general rule, but information officers often move from one department to another, and the background of an information officer is easily obtained. It is easy to determine his ability by talking to his previous directors.

I do not know the value of going to Information Canada—whether they would know the man or not. I think more properly Information Canada should know what we are doing, but the ability of a particular man would not be something they would be qualified to judge, in my opinion. I think the directors of branches who have had a person under their supervision would be the ones more qualified to give you that information.

The Chairman: I understand.

Senator Carter: How long has your information branch been in existence?

Mr. Pilon: It started in April, 1971, with one man being appointed. He was alone for almost one year; I am not sure exactly how long, because I was not in Ottawa at the time.

Senator Carter: That would have been about the same time Information Canada came into existence.

Mr. Pilon: Possibly, yes.

Senator Carter: Was there any connection between the two?

Mr. Pilon: I am sure there was not, no.

There is a valid need now in Customs and Excise for information programs for the public we serve. We have been very low-key in the past, with the result that problems have been created at the operational level. When people are not well informed, the operational men are those who have difficulty in explaining to people why we are doing things one way rather than in another way.

If the public is a little better informed, it does alleviate some of the problems which the operational people face at the counter. Sometimes people become aggravated, which does not make for very good public relations.

Senator Carter: But these problems have always existed, haven't they?

Mr. Pilon: That is right, and the aggravation has always been there; but that does not mean that if you have an aggravation you don't go to see a doctor to try to cure it, even if you can live with it.

Senator Carter: I was wondering why you lived with it so long. If I have an aggravation, I try to get rid of it right away; I don't wait until the last minute.

Mr. Pilon: That is right.

Senator Carter: At any rate, what kind of information do you disseminate?

Mr. Pilon: At the present time, with the limited staff we have, we have gone to pamphlets and brochures on specific regulations that we have determined have caused the most problems at the operational level, where our people do have problems in explaining to the commercial public or the general public the essence of the program or the procedure and why we are doing it. We have seven brochures which we have issued so far, since about a year ago.

Senator Carter: But your information branch would be concerned much more with the specialized group, the commercial community, rather than with the public at large?

Mr. Pilon: Well, I think the public at large, too, must know. Don't forget that every Canadian is a potential customer of Customs. As a matter of fact, I venture to say that in the course of a year almost every Canadian is a client of Customs, because of travelling and getting goods sent in from foreign countries on an individual basis—as an individual, I mean—and, after all, customs is fairly complex in nature.

Senator Carter: Do you use any other methods besides pamphlets?

Mr. Pilon: We have not gone into advertising. We have not gone into—

Senator Carter: Displays?

Mr. Pilon: No. We have had one exhibit, which we did on an experimental basis; but, as I say, we have a limited staff. We did build one exhibit which we displayed at "Man and His World," in Montreal, in August this year. It was in co-operation with the Chamber of Commerce in Montreal. They have a pavilion, and we had an exhibit there. They called it "Customs Day" in Montreal. It was very successful.

Senator Carter: You say you started with one man about two or three years ago?

Mr. Pilon: Yes.

Senator Carter: How many personnel do you have now?

Mr. Pilon: Well, there are three. There is the original man, two information officers and two girls. He was by himself for a year, but after about a year there were three officers and two girls.

Senator Carter: Here in Ottawa?

Mr. Pilon: Yes. When I arrived on the scene about six months ago, of the two information officers one was retiring and the other had received a promotion to another department.

I came here for the sole purpose of organizing an information branch on the basis that we were not sufficiently capable of providing the type of information we thought should be provided to the public. Therefore, I have worked on the organizational aspect most of the time.

Senator Carter: You have, then, a plan which you are working towards?

Mr. Pilon: Yes.

Senator Carter: And how many personnel do you think will be the maximum required?

Mr. Pilon: We submitted a request to the Treasury Board and obtained 23 man-years for the next year.

Senator Carter: And you have now six?

Mr. Pilon: We have now six man-years, yes.

Senator Carter: And they are all in Ottawa?

Mr. Pilon: They are all in Ottawa, yes.

Senator Carter: Do you envisage sending some out to the country?

Mr. Pilon: No, not directly. In our branch we still have some customs people in 12 large centres across Canada. We will have one man who will have some responsibility for information, but he will be doing his regular job of operations, as well as handling some of the information programs that we have, to make sure that they are carried through at the regional level, and making contacts with the local media where necessary. He will have a fairly limited scope of information, but he will be our liaison officer, if you like, in the field.

Senator Carter: Do you have separate public relations people on staff anywhere in the department?

Mr. Pilon: No.

Senator Carter: So your information officers double as public relations officers as well?

Mr. Pilon: They will, yes. Preferably, myself or another gentleman handle the public relations aspect.

Senator Carter: I have some more questions, but I will come back after Senator Sparrow has finished.

Senator Sparrow: You suggested earlier that you had five man-years—or is it six?

Mr. Pilon: Yes. When I arrived, there were five man-years and there has been one added since.

Senator Sparrow: And you expect that by next year it will be 22 or 23?

Mr. Pilon: Yes. In the intervening period I will be increasing the staff, in January and February. I will be recruiting, as I mentioned before, and it will be coming up, probably some time next summer, to 23.

Senator Sparrow: What category would that be? How many information officers in that group?

Mr. Pilon: There would probably be 15 information officers, and some clerks and stenos—people like that.

Senator Sparrow: For the information officers you are talking about, what are the pay scales involved?

Mr. Pilon: The pay scale starts at $8,000. The majority will be in the IS-2, IS-3 category, which is $12,000 to $13,500, and $14,700 to $16,700.

Senator Sparrow: You suggested that three years ago, was it, there was no information department in Customs and Excise?

Mr. Pilon: There was a technical information unit in the department. In the operational headquarters here, Operations did dispense information and responded to inquiries and things like this, but there were no information programs reaching out to the public, trying to explain the role of Customs, to make them understand some of the things we do and why we do them, so that the aggravation at the operational level is eliminated. There was no information program at the department; we were very low key. Very rarely did we respond to criticism or anything like that.

Senator Sparrow: What would prompt the need, then, for such an increase in three years—like this proposition of increasing in one year from five to six man-years, to 23 man-years? What has happened in the department that would prompt this? What problems have arisen?

Mr. Pilon: Well, naturally, the more we progress in government, I guess, the more problems there are. The social structures are fairly different from what they were, say, five, six, ten years ago. We have had, certainly, many programs, that have been heaped onto Customs and Excise for administration or enforcement, of other government departments. We have 56 acts of other government departments that we have to administer in one way or another in Customs and Excise. We are not only concerned with the Customs Act or the Tariff. We have a host of other acts and regulations of other government departments that we administer, regulating or controlling the goods being introduced into the commerce of Canada and the entry of people. The more this involvement progresses, the more we become snowed under, if you wish, by problems at the operational level.

Our emergence, if you like, in the field of other departments at the operational level has caused us a tremendous amount of problems. I am sure that we can say that in the last five years we have had an awful lot of this.

Senator Sparrow: You will be on a committee of interdepartmental information officers, or whatever you call that interdepartmental group?

Mr. Pilon: I have not been on any committee, as yet, on information.

Senator Sparrow: You have no associations with that?

Mr. Pilon: I have not had, personally. Mr. Dubuc, one of the I.S. men in my operation, is the one who has gone on these committees. I have not participated in any committee, as yet.

Senator Sparrow: Can you tell me the smallest information department of the government?

Mr. Pilon: Yes. When we discussed it about a month ago, the smallest was around 15, I believe, and we were only three information officers; we were well below any other department. Yet I think that our department has the largest public of any government department, because we are not strictly just dealing with Canadians; we have to deal with foreign people; we are in international trade and travel, and international transportation. We have to deal with people outside the country, and not only Canadians, and will all aspects of commerce and the public. We have a very large public and a very large variety of publics, if you like.

Senator Sparrow: The information officers you will be hiring—the 15, which is a rough figure, I appreciate—

Mr. Pilon: Fourteen or 15.

Senator Sparrow: They would have no expertise as far as Customs and Excise is concerned, would they; they are just trained information officers?

Mr. Pilon: I had one yesterday who went through the Public Service Commission. He is from the department. He has the ability and he has the background to become an information officer. He also has the departmental experience, and he will be transferred into the I.S. category. As such, I hope to get two or three of our own people who have the ability, the capability, and background, who will be able to come into the information services and make use of their knowledge of departmental activities.

Senator Sparrow: My question relates, really, to the last question that I asked the previous witness. It was as to why your department and theirs could not be under one head, one information service. I appreciate they are two separate branches.

Mr. Pilon: They are very, very different.

Senator Sparrow: Yes; but why, under that structure, could you not have the two or three information officers who have knowledge of your department, so that you could work on a certain basis for the dissemination of information? That is what an information officer is. He knows, presumably, how to get a message—whatever that message might be—across to the public.

The next question would be, then: If that is impossible, would it be possible that Information Canada could have the information officers under its structure, and the two, three, or four required to have expertise in Customs and Excise? Why is it necessary, in your opinion, to have a separate information department for Customs and Excise?

Mr. Pilon: Well, even if you hire someone at the beginning who knows nothing about Customs and Excise, in a relatively short time, possibly a year, he begins to understand and to know Customs and Excise. Now, if he was in Information Canada he would be asked to know a little bit about all of the government departments. It is not enough just to know how to communicate; you have got to know what you are communicating. You could say, "Well, this is what an I.S. man should know," but he must also know what he is communicating. He has to learn what the department is all about. He has to learn what the programs are and the activities involved.

Senator Sparrow: If a firm hires an advertising agency, that advertising agency does not have the expertise in customs and excise, or in every other field, but they are information people. They presumably know how to get a message across. If I want to get a message across to the people, I say to these experts, "This is the message I have for those people. It is your job to get it to them so that they will understand it." That is what I am referring to. There are all these separate structures, but surely the expertise could be in the department, three or four people who would say, "This is the information we wanted to get to the people, so now, Information Canada, I want you to get that information to those people." It seems to me that in this way you could cut down on the number of employees.

Mr. Pilon: That is why we are going for a small branch, as opposed to the 60, 80 or 90 they have in some departments. I believe that in some of these places Information Canada should be used because we are not going to do the advertising ourselves. What we are going to be doing is doing it with a little better expertise in information than the operations people do it, and doing some research on our programs and activities to see where we have the problems, to see if they can be eliminated or if we can reduce the scope of the problems by an information program. But I cannot go and ask Information Canada to do this; this has to be done in the department.

The Chairman: Do you think that Information Canada ought to have control over the information services, so that in developing and budgeting for it you provide them with material which they can monitor and determine whether or not you are going in the right direction?

Mr. Pilon: I think Information Canada should certainly be able to come up with policies and guidelines for information services across government departments. I talked to Information Canada about this and, from what I can gather, they do not have any policies or guidelines on the development of information plans across departments. I think this is a role they should play. That is my view as an operations man; but how other information officers would feel about this, I do not know.

The Chairman: Do you think that these guidelines on operational policy should be mandatory?

Mr. Pilon: Well, I think that if the guidelines and policies are not followed, the director of information of the particular government department should be made to explain why. Of course, where any guidelines are concerned, you will have exceptions, and I know we have exceptions in operations and it must be the same in any field of endeavour.

Senator Sparrow: You report direct to the deputy minister?

Mr. Pilon: Presently I do, yes.

Senator Carter: Senator Sparrow has already dealt with the two questions I was interested in. However, let us take the case of a branch that is only a couple of years old and is starting to organize an information branch from scratch. Now, since the information was in existence at the time, to what extent do you consult Information Canada to see how much the two operations could be integrated so that you would not have to undertake services that could be provided by Information Canada?

Mr. Pilon: I went over to Information Canada to inquire as to what services they could provide.

Senator Carter: Yes, and what did you find?

Mr. Pilon: The Exhibitions Commission was the largest single service that I found they could provide for us. Certainly they could provide advice on the organization and techniques, new developments and stuff like this. They could not intervene and say, "You can't organize this way!" but they certainly could provide guidelines from the organizational aspect.

We propose to use the Exhibitions Commission every time we have to have exhibits, and in the development of that kind of thing. We will be using Information Canada every step of the way, except in situations where they cannot help because of a time element, and then we have to go ahead with our own resources or we have to go outside; but, generally speaking, we propose to use Information Canada.

Senator Carter: The fact that Information Canada is in existence, to what extent does that help you to curtail your own budget? Let me put it another way. If we did not have Information Canada, how much bigger would your organization have to be, and to what extent would your budget have to increase? Can you give us any idea on that?

Mr. Pilon: Well, I really have not thought about it in this way. You are asking what I am saving because Information Canada is there?

Senator Carter: Yes.

Mr. Pilon: We would have to do, for instance, a distribution of all our regulations to our commercial public and those who require them. Information Canada does this for us. They held in the design of pamphlets and things like this, but to put it at a tangible amount, I could not say what it would cost. I have never worked it out. It is there, but you don't price it.

The Chairman: I think it would be almost impossible.

Senator Carter: I agree that it would be difficult to put a figure on it but, speaking in relative terms, would you regard it as a considerable or an insignificant saving?

Mr. Pilon: It would not be insignificant. As a ballpark figure, I think I would have to have 10 more men. You see, every time you need the services of Information Canada you don't know how many man-years are involved. They charge you in money for some of the services they provide, so that much you do know.

Senator Carter: Since you have been in existence, have you paid Information Canada for services?

Mr. Pilon: Yes, we have.

Senator Carter: Can you give us any figures on that?

Mr. Pilon: For the exhibit "Man and his World," I think it was $2,400.

Senator Carter: That is the main expenditure?

Senator Sparrow: That would be cost recapture only; they don't charge for services?

Mr. Pilon: That bill is for cost recapture.

Senator Carter: Did you make any exploration of the information department already existing in the taxation branch to examine the possibility of integrating?

Mr. Pilon: I use the services presently of some people in the taxation division, and I think we plan to do this in the future as well. But we do have very different programs. It is as if you asked me if the information services of Customs could handle as well the Department of National Welfare. They are two totally different programs and they are going in different directions. Nevertheless, the services of Mr. Jeffries, for example, can be used or those of Mr. Donnelly. I have used them several times. We plan to continue to exchange the utilization of people from the information services of Taxation and Customs and Excise, and visa versa.

Senator Carter: I take it that your particular type of operation does not lend itself too well to advertising, film strips, films or that type of medium—is that true?

Mr. Pilon: That is not particularly true. If we have a major change which we want to get to the public quickly, then we have two alternatives. First, we try to get a news release to the papers. We had one last week, but it did not get that much space; in fact, it got very little space. It dealt with the situation whereby you will no longer be required to make a written declaration in connection with the $25 exemption when you travel. We were somewhat disappointed that it did not get the coverage that we felt it should. This can cause problems, and we might have to put something in the paper to advise the public about the change in requirements. That is just a small example.

So far as film strips are concerned, I think we will probably be doing some, but they will not be for very large segments of the public. They will be more for a specific public. We will have film strips for a very specific purpose, such as for a drawback, which is complex. If we think people are not taking advantage of the privileges offered under the drawback regulations, then we will have to do something to attract the attention of people in business so they will have a better knowledge of our drawback provisions to permit better competition in manufacturing for export.

Senator Carter: Would it be fair to say that your type of information material falls into two categories: one category aimed at the general public;—

Mr. Pilon: Yes.

Senator Carter: —and a second category aimed at the commercial world, the business community?

Mr. Pilon: Yes, the business community, manufacturers, importers, exporters—Canadian and foreign.

Senator Carter: These people would find it easy to understand what you are driving at; they can interpret your message much more easily than the general public?

Mr. Pilon: Yes.

Senator Carter: In preparing your material, do you consult Information Canada as to how to get your message across to people, say, with a low level of education?

Mr. Pilon: In a language that is readable to the general public?

Senator Carter: To a person with grade 4 or grade 5?

Mr. Pilon: I do not think they have in the past. They have not consulted Information Canada, but this is exactly what we endeavour to do. It is already in publications, in legislation, what the requirements are, and people really do not understand it that way. What we are really doing is putting it in language people can understand and making a wider distribution, to make people understand.

Senator Sparrow: Your estimated budget would be an increased number of people?

Mr. Pilon: Last year?

Senator Sparrow: No, your present budget.

Mr. Pilon: The proposed budget would be approximately $800,000.

Senator Sparrow: As against?

Mr. Pilon: As against, this year, $225,000.

Senator Sparrow: Who advises you? For instnce, is it your sole job, in consultation with the deputy, to devise that organizational chart and plan it? Is that your job, or do you get advice from some other source as to its organization?

Mr. Pilon: The organization of information services?

Senator Sparrow: Yes. Or is that a straight pattern from other information services, government services?

Mr. Pilon: In different departments you find different organizations. It has to fit the needs of the particular department. I have talked to other directors of other information services and, as I said, I talked with Information Canada. It is my responsibility to develop the organization, and there is constant discussion with the deputy minister on the subject.

Senator Sparrow: You suggested that you thought you were going to keep your department small.

Mr. Pilon: The branch?

Senator Sparrow: The branch. What would make you suggest that it would not develop into the 50 or 90 man-years?

Mr. Pilon: Five years hence?

Senator Sparrow: Yes.

Mr. Pilon: Because, generally speaking, in our department we have not been given to large increases in staff from year to year. To go back to 1958, we were almost the same number of staff as we are today, 600 or 700 people. We have been able to manage and cope with the increase in the volume of trade and the increase in travel without increasing our staff all that much, by simplification of procedures and by facilitation methods. I think we will be able to deal with this in the information branch just as well as they do in the operations branch. With the 15, I think we can cope for several years to come. There is no desire on our part to make that branch any larger than it is. As a matter of fact, I said I would probably peak in the summer to 23. That is what we are allowed, but we may go only to 18 or 19 this year and wait another year and make sure that what we are doing is on a sound basis and carry on from there, rather than go the whoe hog and do the whole thing all at once.

Senator Carter: On inquiries, how many inquiries have you received during the past year? I mean, direct inquiries addressed to your department.

Mr. Pilon: Addressed to the department?

Senator Carter: That have come directly to your attention.

Mr. Pilon: To our attention, very few. We have not been handling inquiries, as such. When they come to us, phone or written inquiries, if they are on a subject that we can answer ourselves, we do. But generally in our department inquiries are of a technical nature, and it does require technical expertise to give the information.

Senator Carter: But you have not received very many?

Mr. Pilon: You know, senator, inquiries are inquiries. We get thousands and thousands of inquiries, requesting under what tariff classification such a product would come in. Such inquiries would not come to us at all. They would go directly to the technical branch whose responsibility it is under section 46(2) of the Customs Act to give the answer, and they have the sole responsibility for that. I can point to other aspects where they are covered directly in the act.

Senator Carter: Your information branch does not cover the whole division of information on excise?

Mr. Pilon: The other is not on information. They are the established rulings on what may come in and what may not.

Senator Carter: Similar to what Mr. Smith told us about the auditors in the taxation office?

Mr. Pilon: Yes.

Mr. Chairman: You are talking about actual rulings, as opposed to information?

Mr. Pilon: Yes, we are dealing with general information.

The Chairman: Do you have a binding rule service for tariff tax rules or values?

Mr. Pilon: Yes.

The Chairman: So this is a little different from an inquiry?

Mr. Pilon: It is a legal matter.

The Chairman: Yes.

Senator Carter: Have you received any inquiries through Information Canada?

Mr. Pilon: Information Canada does handle inquiries.

Senator Carter: If someone phones Information Canada and wants information, does Information Canada come to you?

Mr. Pilon: Yes, we have had some, very few, though.

Senator Carter: Not very many.

Mr. Pilon: Because in dealing with Information Canada, rather than have the inquiry passing through us, if it is a technical matter, in the sense in which I have spoken before, they are referred directly to the responsible party or the responsible section.

Senator Carter: Do you know of any overlapping between your information service and that of other departments?

Mr. Pilon: Overlapping, or do they mesh in content?

Senator Carter: I would think, overlapping.

Mr. Pilon: We do something and they would do it as well?

Senator Carter: Yes?

Mr. Pilon: In addition? Not that I know of.

The Chairman: You have a way for that in your department?

Mr. Pilon: We have two folders that we have done in co-operation with other departments. We have something that we have done in co-operation with the government travel bureau. That is for tourists coming into Canada. Other departments are in there as well—Immigration—and it is all in co-operation with the government travel bureau. We have one specifically with the government travel bureau; it is for conventions coming to Canada. This is to make it economically attractive to bring conventions to Canada. Of course, it is a national question. People come from outside the country to hold conventions in Canada. Canada has built a reputation for conventions, and they are well encouraged here. The customs authority comes into play because of the introduction of people, their effects and the material for events and the goods for display, the goods they use for the conventions. They must go through customs. We have endeavoured to simplify our procedures to make it possible for people to come here for conventions from foreign countries and find it pleasant to come here. We simplify their procedure right down to the lowest possible point. This is all explained in a pamphlet we have with the government travel bureau, which is distributed in foreign lands.

Senator Carter: That is the kind of foreign publication you mentioned earlier?

Mr. Pilon: Yes, we have several.

Senator Carter: In many little communities or ports of entry, the office of Customs and Excise and the office of Immigration are pretty well joint offices?

Mr. Pilon: Oh, yes; in many places we do the immigration.

Senator Carter: They are interchangeable?

Mr. Pilon: No, sir, we are not interchangeable.

Senator Carter: No, I do not mean in duties.

Mr. Pilon: They cannot do our duties but we do theirs.

The Chairman: Did you say that they cannot do your duties but you can do theirs?

Mr. Pilon: Yes.

Senator Carter: There is pretty good liaison, then?

Mr. Pilon: Yes, very good liaison with information.

Senator Carter: Is that relationship of any use to you with respect to getting information out?

Mr. Pilon: We are working with Immigration, for instance, on a brochure which we are preparing for immigrants coming into the country, so that when they come in they do not bring things that are either prohibited or would cost them a fair amount of money upon coming into Canada. We are doing this together.

I should point out that we have information officers in immigration sections in foreign countries, and it is necessary for us to brief them in order to tell them what our requirements are. We will also be supplying them with the brochure I referred to which is in the process of being printed. In other words, we will distribute that brochure to them.

Senator Carter: Can you see any way in which Information Canada could be more useful to you than it is now?

Mr. Pilon: As I mentioned before, I think they should come out with policy guidelines. For a layman like me, anyway, I think they should come out with—

Senator Carter: Policy guidelines?

Mr. Pilon: Yes, sir.

Senator Carter: They may not feel they have a mandate to do that.

Mr. Pilon: That is beside the point, so far as I am concerned. I think they should have it.

Senator Carter: Oh, well, yes.

Mr. Pilon: I am just saying they should—period!

The Chairman: Mr. Cocks?

Mr. Cocks: In connection with the guidelines from Information Canada, how would you feel about your budget being screened by Information Canada?

Mr. Pilon: I would not mind, particularly.

Mr. Cocks: Would you say it would be a desirable thing?

Mr. Pilon: It might be, I think. We have to go through Treasury Board, and that is difficult enough. I don't think they could be any more difficult than that.

The Chairman: Does that complete your questioning, senators?

I thank Mr. Pilon very much. You have been very helpful to us, sir. Thank you.

The committee adjourned.

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THE SENATE OF CANADA

STANDING SENATE COMMITTEE ON

NATIONAL FINANCE

The Honourable DOUGLAS D. EVERETT, *Chairman*

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—D'Avignon, G. R., Director General, Information Canada
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